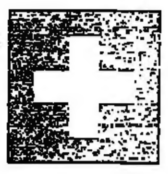
After Maastricht
The EC's rocky road to ratification
Page 16

Tank manoeuvres
Vickers drives production into the modern age
Page 12



Swiss franc
German test for its splendid isolation
Page 3

Opec
Can Saudis hold the line on output?
Page 28

NEWSPAPER OF THE YEAR

FINANCIAL TIMES

Thursday April 23 1992 | EUROPE'S BUSINESS NEWSPAPER | D 8523A

US and EC pledge early settlement of Uruguay Round

The US and European Community committed themselves to an early conclusion of the Uruguay Round of world trade talks after a White House meeting between President George Bush, Jacques Delors, president of the EC Commission, and Anibal Cavaco Silva, Portuguese prime minister. Mr Bush said both sides exchanged "new ideas". Page 18; Keating warning, Page 8

Sterling rises: Strong support for sterling yesterday from Japanese and German investors pushed the pound to its highest London close against the D-Mark for more than seven months, amid growing hopes that the UK economy may be recovering. Page 18 and Lex; Signs of recovery, Page 11; Currencies, Page 36

HKSB warns on Lloyds bid: Hongkong and Shanghai Bank chairman William Purves warned that Midland Bank could be damaged if Lloyds made a rival bid, a preview of the battle HKSB is likely to fight to pursue its £3.1bn ($5.5bn) bid for the UK clearing bank. Page 19

U-turn for Spanish finance minister:

Spain's finance minister, Carlos Solchaga, faces an embarrassing political reversal after a Socialist party rebellion against proposed cuts in unemployment benefit. The cuts were intended to reduce public spending ahead of economic and monetary union (Emu). Page 18

Axa profits drop: Axa, France's second largest insurance company, saw net profits fall by 28 per cent, a performance it attributed to lower capital gains on sales of investments by the Axa holding company. Page 19

Nissan to reduce US exports: Nissan, Japan's second largest carmaker, is set to bear the brunt of Japan's "voluntary" cut in direct car exports to the US. Page 8

Israel accused: The Israeli army has been accused of operating a "shoot-to-kill" policy against Palestinian activists following a spate of killings in the occupied territories. Page 4

Caterpillar, world's largest maker of earth-moving equipment, said that a 21 per cent decline in sales during the first quarter had led to a net loss of $132m. Page 19

Russia looks to IMF: Russia hopes the IMF will agree by the second half of May a standby credit of $4bn to stabilise the rouble and unlock $24bn in aid agreed by G7 nations. Page 2

Clegg compensated: Wace Group has paid £425,000 ($750,000) compensation to John Michael Clegg who resigned as chief executive of the company that he built into the world's largest specialist in pre-press printing. Page 20

Peru democracy pledge: President Alberto Fujimori of Peru announced a 12-month timetable for the restoration of democracy in an attempt to stave off economic sanctions. Page 6

Mexican blast: Dozens of people were killed and hundreds hurt when a series of explosions ripped through the sewage system in the western Mexican city of Guadalajara after a leak of inflammable gases.

EC fraud squad: EC financial watchdog, the Court of Auditors, recommended creation of an anti-fraud unit to monitor subsidies paid to international food exporters. Page 34

Duke quits race: David Duke, former Ku Klux Klan leader, abandoned his quest for the Republican party presidential nomination. Page 6

Crimean independence: Ukraine proposed sweeping powers of self-government for the breakaway Crimean republic in a last-ditch effort to hold on to the region. Page 2

Semiconductor pact: The Japanese electronics company Fujitsu signed a semiconductor cross-licence agreement with Samsung of South Korea, the first such deal between South Korea and Japan to be confirmed. Page 8

Nedlloyd back in profit: Nedlloyd, Dutch transport group, made a strong swing back into profit in 1991, reflecting gains from divestments and improved operating results. Page 20

Czech tobacco stake: Philip Morris, the US tobacco company, is poised to acquire a strategic stake in the former tobacco monopoly of the Czech republic. Page 20

Sumo wars: The US sumo wrestler, Konishiki, has accused the Japanese sumo association of "racism" for denying him promotion to the rank of *yokozuna*. Page 4

The Markets

STOCK INDICES

FT-SE 100	2,607.8	(−18.0)
Yield	4.86	
FT-SE Eurotrack 100	1,171.34	(+4.61)
FT-A All Share	1,259.58	(−0.5%)
Nikkei	16,839.12	(+51.79)
New York: lunchtime		
Dow Jones Ind Ave	3,348.34	(−2.91)
S&P Composite	410.42	(+0.16)

US LUNCHTIME RATES

Federal Funds:	3¾%
3-mo Treas Bills: Yld	3.74%
Long Bond	96⅔
Yield	8.02%

LONDON MONEY

3-mo Interbank	10½%	(same)
Liffe long gilt future:	Jun 96⅔	(Jun 96⅝)

NORTH SEA OIL (Argus)

Brent 15-day (June)	$18.80	(18.825)

Gold

New York Comex (Apr)	$339.1	(341.1)
London	$338.7	(338.5)

STERLING

New York lunchtime:		
$	1.762	
London:		
$	1.763	(1.748)
DM	2.9325	(2.9175)
FFr	9.9	(9.8575)
SFr	2.7175	(2.705)
Y	236.5	(234.5)
£ Index	92.2	(91.7)

DOLLAR

New York lunchtime:		
DM	1.6635	
FFr	5.618	
SFr	1.5422	
Y	134.15	
London:		
DM	1.6636	(1.669)
FFr	5.615	(5.64)
SFr	1.5415	(1.5475)
Y	134.15	(134.2)
$ Index	65.1	(same)

Tokyo close Y 134.25

Austria	Sch30	Hungary	Ft162	Malta	Lm0.50	S.Arabia	SR9.00		
Bahrain	Din1.000	Iceland	IKr190	Morocco	MDh11	Singapore	S$4.10		
Belgium	BFr60	India	Rs20	Neth	Fl 3.50	Spain	Pta200		
Cyprus	C£1.00	Indonesia	Rp3800	Nigeria	Naira20	Sweden	SKr14		
Czech	Kcs35	Israel	Shk5.50	Norway	NKr15.00	Switz	SFr3.00		
Denmark	DKr14	Italy	L2500	Oman	OR1.20	Thailand	Bht50		
Egypt	E£4.00	Jordan	JD1.20	Pakistan	Rs35	Tunisia	Din1.000		
Finland	FM10	Korea	Won 2500	Philippines	Pso45	Turkey	L6000		
France	FFr8.00	Kuwait	Fils.500	Poland	Zl 18,000	UAE	Dh9.00		
Germany	DM3.30	Lebanon	L£1,250	Portugal	Es190				
Greece	Dr250	Lux	LFr60	Qatar	QR10.00				

Moslems fight back as Serbs bombard Sarajevo

By Laura Silber in Belgrade

STREET-BY-STREET fighting in Sarajevo, capital of Bosnia-Hercegovina, yesterday was concentrated on the Ilidza district where Moslems attacked Serbs controlling the area.

Radio Sarajevo said an unknown number of people had been killed and wounded in the counter-attack against Serb fighters who had infiltrated the district without any resistance.

The hotel in Ilidza housing 60 European Community ceasefire monitors was riddled with bullet holes. No injuries were reported but Mr Colm Doyle, an EC official, said: "This is mindless violence. Using a hotel with the EC and journalists in it and a hospital with patients as targets is not encouraging."

The United Nations peacekeeping force based in Sarajevo cancelled a press conference owing to heavy mortar fire in the city. Witnesses said the Moslem-dominated old town was still under bombardment by Serb forces, but in some districts a few people ventured out after more than a day in shelters. Most workers remained at home and schools were closed.

There were conflicting accounts of which side was prevailing. One witness said: "By using street battles, Moslem forces appeared to gain the upper hand on Serbs, who rely on heavy artillery on the hillside above Sarajevo." Another witness said: "It is chaos; it is not clear who is controlling the situation."

The Serbian-dominated federal army, however, appeared to be staying outside the fray in the city of 525,000 inhabitants, 49 per cent of whom are Moslem.

A mission by Lord Carrington, the chairman of the EC's peace conference on Yugoslavia, is due to go ahead despite the fighting. Mr Doyle said EC observers had been assured that the political leaders of the three factions – Serb, Croat and Moslem – would meet Lord Carrington's party at Sarajevo airport today.

Several EC countries voiced concern about the escalating violence in Bosnia, with France calling for swift UN intervention to keep the conflict from spinning out of control.

Germany vowed that the "greatest possible international pressure" would be applied against Serbia to end the bloodshed.

A spokesman for Mr Hans-Dietrich Genscher, the foreign minister, said that the EC had approved an April 29 deadline for Serbia to stop the fighting or face international penalties. If the deadline passed with no change in Bosnia, the EC and the US would confer on what steps to take, he said.

Bosnia's Serbs, who make up 31 per cent of the 4.35m population, are opposed to independence from Yugoslavia. Moslems and Croats, who represent nearly two thirds of the population, support independence.

Elsewhere, Sarajevo radio said Serb artillery attacked Bosanska Krupa, in the north-western Moslem heartland and reported artillery exchanges in the north-western towns of Derventa and in the mainly Moslem Bihac.

IMF urges Germany to reduce its fiscal deficit

By Peter Norman, Economics Correspondent, in Washington

THE International Monetary Fund yesterday urged Germany, in unusually forthright language, to act more quickly to cut its fiscal deficits in order to enable European interest rates to fall.

In its latest World Economic Outlook, the IMF said growth in the European Community slowed considerably last year and – at 1.8 per cent – is expected to remain subdued in 1992.

The IMF estimated the German general government deficit would grow from 3.3 per cent of gross national product in 1991 to 3.6 per cent this year before falling to 3.1 per cent in 1993. It said the tight monetary stance of the Bundesbank, which in December raised its interest rates to the highest levels since the 1930s to combat inflationary pressures, was a "recent restraining factor" on European growth.

"The prospects for lower interest rates in Europe would be enhanced if Germany's fiscal consolidation plans were implemented more rapidly than currently envisaged," the IMF said. In addition to accelerating existing plans for fiscal consolidation, it said there seemed to be scope for an early announcement of additional deficit-cutting measures.

The IMF report, which was circulated among governments before publication yesterday, may encourage Germany's partners in the Group of Seven leading industrial countries to push for faster fiscal action from Bonn at Sunday's meeting of G7 finance ministers and central bank governors in Washington.

The report caused dismay among German monetary officials, who contrasted the stern advice to Germany with the IMF's much milder strictures against the more persistent and higher deficits of the US.

Officials in Bonn said the IMF and Germany's partners in the G7 tended to underestimate the shock effects of unification on the German economy. They added that Germany was pursuing a credible policy to cut its budget deficits. Last weekend Mr Theo Waigel, the country's finance minister, promised a "hard-as-nails" finance policy and four years of belt tightening to pay for German unification.

The IMF report predicted that world output would grow by 1.4 per cent this year after declining by 0.3 per cent in 1991. The Fund's latest growth forecast for this year is 1.3 percentage points lower than its projection for 1992 that was published in October last year. However, the IMF said that it expected global growth would quicken to 3.6 per cent in 1993.

Although this recovery would be subdued compared with previous upturns, the Fund urged governments to act cautiously.

"Barring evidence that growth continues to falter, a further significant reduction in interest rates does not seem warranted in the US, Canada or Japan," it said. The IMF added that the monetary authorities in these countries should stand ready to tighten policy promptly in response to signs of an increase in potential inflationary pressures.

Britain faces below-average growth
East European lesson for former Soviet states
Decade of growth for developing countries
IMF laces growth projections with caution, Page 6

An Afghan soldier (right) and a mujahideen guerrilla embrace on the road outside Kabul

Guerrillas ready to defend Kabul

By David Housego in Charikar

AFGHAN guerrilla and military leaders yesterday expressed confidence that they could ward off a threatened attack on Kabul by the Islamic fundamentalist Hezb-i-Islam movement.

Speaking at Charikar, some 50km north of Kabul, Mr Ahmed Shah Masood, the mujahideen commander whose alliance controls the north of the country, confirmed that units of the Hezb were advancing towards Kabul through Loghar province to the south. He said they were about 25km from the city.

But he was dismissive of the ability of the forces led by Mr Gulbuddin Hekmatyar to launch a successful attack on the capital. He condemned Mr Hekmatyar – who has threatened to begin an offensive against Kabul on Sunday if an Islamic interim government has not been established by then – as a "warmonger". Mr Masood, a gaunt, self-confident guerrilla leader, was speaking before talks in Charikar yesterday with Mr Benon Sevan, the UN special envoy on Afghanistan.

Mr Masood said he did not think the forces were large. He said: "If Mr Hekmatyar had the forces to come into Kabul he would have done so by now." The military commander in charge of Kabul airport, who was sitting at his elbow, confirmed that Mr Hekmatyar's forces were about 25km from Kabul.

As we drove back from Charikar across the plain to the north of Kabul, several hundred of Mr Masood's Jamiat-i-Islam guerrillas were marching heavily armed towards the capital. They appeared to have been sent to reinforce security around the city. Around Charikar tanks and armoured personnel carriers were being kept in a state of readiness – apparently to move on Kabul if necessary.

None the less the strategy of Mr Masood, of the military government in Kabul, of the UN and of Pakistan seems to be to attempt to neutralise the Hezb so as to avoid a fight for the city.

Mr Sevan went out of his way to praise Mr Masood for not, so far, marching on Kabul himself and for seeking talks with other mujahideen leaders to establish an interim mujahideen govern-

Continued on Page 18

WHEN WE INVEST IN A COMPANY WE'RE NOT INTERESTED IN ITS WORTH.

ONLY YOURS.

We invest first and foremost in management not figures on a balance sheet.

If we're convinced you have the ability, commitment and track record, we'll back you in a deal anywhere from £250,000 to £25 million.

If you would like to show us what you are worth, whether it's for a management buy-out, management buy-in or expansion, contact Trevor Jones on 071-606-6474.

Or, if you prefer, speak first to your financial adviser.

Gresham Trust p.l.c., Barrington House, Gresham Street, London EC2V 7HE.

Gresham Trust
VENTURE CAPITAL MANAGEMENT BUY-OUTS
Member of The Securities and Futures Authority

O&Y's hopes of Canadian government support recede

By Robert Peston in London and Bernard Simon in Toronto

OLYMPIA & YORK'S hopes of receiving Canadian government support in its attempts to reconstruct its C$14.3bn ($12bn) debt encountered a potentially serious hitch yesterday because of political concerns.

However, representatives of the world's biggest property developer emerged from a crucial meeting with 11 banks in London saying they were confident O&Y would avoid filing for bankruptcy protection.

A spokesman for Canadian finance minister Mr Donald Mazankowski said the government had political concerns about providing financial support to O&Y's efforts to raise funds through the $300m sale-and-leaseback of a Toronto office building, the Exchange Tower.

O&Y had been counting on this support as a vital element in its plans to pay back holders of commercial paper, or short-term securities, which have fallen due for redemption.

Mr Steve Miller, in charge of O&Y's debt restructuring negotiations, said: "It would be a problem if the Canadian government did not come through." But he insisted that the government had indicated a willingness to help in the form of a short-term guarantee for the sale of the tower.

However the finance ministry spokesman said: "We remain to be convinced that we are needed, and we hesitate to put the taxpayers at risk".

Mr Miller was speaking shortly after attending a 90-minute crisis meeting with 11 banks, including Citicorp of the US, Credit Suisse of Switzerland, Royal Bank of Canada, Canadian Imperial Bank of Commerce, Barclays of the UK and its rival Lloyds.

The banks were in private session from 11.30am to late afternoon in the City offices of solicitor Allen & Overy. They were deciding whether to provide O&Y with the £110m ($194m) of funds it needs to continue working on Canary Wharf, the east London office development, over the next 90 days.

Mr Miller, a partner of US investment bank James D Wolfensohn Inc, said he had "such a degree of confidence" that they would provide these funds that he had not contemplated what the company would do if the banks refused to provide the money.

He confirmed that O&Y had taken advice from New York firm of lawyer Weil Gotshal and Manges on bankruptcy filing procedures but he insisted this was a routine procedure.

O&Y public bonds, Page 21

CONTENTS

Accord with IMF next month would unlock $24bn pledged by G7

Russia hopes for $4bn credit

By Martin Wolf in Moscow and George Graham in Washington

THE RUSSIAN government hopes to agree a stand-by credit with the International Monetary Fund for $4bn by the second half of May, Mr Konstantin Kagalovsky, Russia's chief negotiator with the international financial institutions, said yesterday.

The stand-by arrangement would allow the government to stabilise the rouble, and unlock the $24bn agreed by the Group of Seven leading industrial countries.

The IMF arrangement, along with Russia's own economic reform package, will be discussed when Mr Yegor Gaidar, Russia's deputy prime minister, visits Washington during the meetings of the interim committee of the IMF and World Bank and G7 this weekend.

Following preparatory discussions with IMF officials in Moscow this week, the government is looking to agree the terms of a stand-by credit with the Fund during a subsequent visit by the IMF, which will start on May 10. It hopes IMF board approval would follow shortly thereafter.

Of the total $4bn, three tranches of $1bn each would be disbursed simultaneously this year, officials say.

Mr Michel Camdessus, the IMF managing director, said last week that a delegation from his organisation would return to Moscow in May with a view to negotiating an economic programme that would support a standby financing facility.

He was cautious on when a standby facility might actually become available, suggesting that funds might not start flowing until July.

The Russian government hopes to receive $24bn from western governments and institutions this year, of which $4.5bn will come from the international financial institutions – $3bn from the IMF, and $1.5bn from the World Bank and the European Bank for Reconstruction and Development.

It is also seeking a $1bn loan from the World Bank aimed at supporting crucial imports.

Mr Kagalovsky said Russia would have to gain control over monetary policy in the rouble area before the currency could be stabilised. Russia, which inherited the rouble from the former Soviet Union, then intends to stabilise it through establishing sole responsibility for issuing it and controlling its exchange rate.

He explained that the countries of the former Soviet Union would have access to the rouble through the Central Bank of Russia, which would be the sole body responsible for issuing the currency.

He added that conditions of access to the rouble by the other republics, or replacement of the rouble by those republics that intended to introduce their own currencies, would have to be negotiated. Agreement betweeen Russia and the republics had to be reached before the rouble could be stabilised, Mr Kagalovsky said.

MR YEGOR GAIDAR, the architect of Russia's radical economic reforms, was back at his desk yesterday after being taken to hospital suffering from high blood pressure on Tuesday night, writes Leyla Boulton in Moscow.

Colleagues blamed the punishing work schedule of the 36-year-old first deputy prime minister in his relentless pursuit of rapid market reforms. Mr Anatoly Chubais, the privatisation minister, said he was trying to persuade Mr Gaidar to get some rest before his trip this weekend to Washington, where he will be completing talks on Russian membership of the International Monetary Fund – one of the prizes of his reforms.

"But even rest is difficult to organise," said Mr Chubais, who shares with his other colleagues a non-stop diet of work, frequent travel, little sleep, and lots of small administrative problems which are spared their colleagues in the west.

Tank parts, unwanted equipment, and tons of other hardware are piled high at a barracks near Fahrland outside Berlin from which the Red Army has withdrawn over recent weeks. Who cleans up the mess is being disputed by Bonn and Moscow.

Moscow threatens regional chiefs over privatisation

By Leyla Boulton in Moscow

THE RUSSIAN government will sack regional governors who fail to meet its targets for privatising state industry.

Mr Anatoly Chubais, the privatisation minister, said in an interview yesterday he feared that Moscow would not be able to ensure the implementation of its programme – which sets percentages of specific sectors to be privatised by the end of this year – in the semi-autonomous republics within Russia. But he was confident such "traditional bureaucratic methods" would work in most of the country.

He said a recent auction of 21 shops in the town of Nizhny Novgorod, organised with the help of the World Bank and the support of enlightened local authorities, would "show the way" to others. "No bureaucrat wants to be the first, but nobody will want to be the last [in this process]," he said.

He added that he would finalise by mid-May which sort of voucher system would be used to give Russia's inhabitants the right to acquire free of charge shares in shops and enterprises.

He said the government had set itself an autumn deadline to give ordinary Russian citizens a stake in its ambitious privatisation programme.

Mr Chubais said a deluge of private western offers to invest in privatised Russian enterprises – which followed the west's announcement of a $24bn aid package for Russian economic reforms – made it imperative to set rules quickly for foreigners to take part in privatisation process.

He suggested that no decision had yet been taken on plans for a special exchange rate for foreigners to buy assets so as not to squeeze out Russians thanks to the rouble's weak market value. But he reiterated his preference for organising special auctions reserved for foreigners, or special coefficients to make assets more expensive for foreigners multiplying the value of assets sold to foreigners.

Ukraine tries to head off Crimean independence

By Chrystia Freeland in Kiev

THE UKRAINIAN parliament yesterday gave preliminary approval to sweeping powers of self-government for the breakaway Crimean republic in a last-ditch effort to hold on to the region.

Ukrainian lawmakers hope that the bill, which passed a first reading after a tense, late-night debate, will halt the drive to hold a referendum on independence in Crimea.

"If this law is passed there will be no referendum," said Mr Albert Korneev, deputy chairman of the parliamentary commission on legislation.

The law, which has already been ratified by the Crimean parliament, grants Crimea control over land and natural resources, the pace of economic reform, migration and education, and gives Crimea a say in all military movements in the region.

The lush Crimean peninsula, only transferred from Ukraine to Russia in 1954, has become a lightning rod for escalating hostilities between the two Slavic republics.

The Russian parliament has tabled a motion declaring the transfer illegal and many Crimean separatist leaders view independence as the first step toward eventual reunification with Russia.

Nearly 10 per cent of Crimea's 2.5m inhabitants signed a petition calling for a referendum but the Crimean parliament has not yet given the proposed referendum the required endorsement.

On the defence front, tension between Ukraine and Russia appeared to calm down, when Marshal General Konstantin Morozov, the Ukrainian defence minister, reiterated earlier promises that Ukraine would recommence the shipment of tactical nuclear warheads to Russia where they are to be dismantled.

Mr Morozov also sounded hopeful on a possible agreement between the four nuclear republics on dismantling strategic nuclear weapons and ratification of the Start treaty.

Polish newspaper launches scathing attack on Walesa

By Christopher Bobinski in Warsaw

PRESIDENT Lech Walesa was yesterday subjected to a scathing attack in one of Poland's most widely read newspapers.

The Gazeta Wyborcza published a six-page, no-holds-barred account of Mr Walesa's time so far in office. The account is based on interviews with former members of Mr Walesa's staff and paints a picture of a man whose responsibilities have far outgrown his abilities, and who is surrounded by a kitchen cabinet led by Mr Mieczyslaw Wachowski.

The newspaper alleged, for example, that Mr Walesa was dissuaded only at the last minute by Mr Jan Krzysztof Bielecki, the then prime minister, from sending a congratulatory letter to the leaders of the coup in Moscow last August. It also alleged that Mr Wachowski, who was an aide to Mr Walesa in the heyday of the Solidarity movement in 1981, was protecting communists in the armed forces.

The publication of the report is seen as a blow to Mr Walesa's attempt to win control over the armed forces.

Meanwhile, a seven-week effort to enlarge Poland's centre-right minority coalition government headed by Prime Minister Jan Olszewski broke down yesterday, ahead of a key budget vote next month in parliament.

The end came when Mr Tadeusz Mazowiecki, head of the Democratic Union and a former prime minister, said the three opposition parties he represented would not co-operate with the government.

The talks had centred on the free-market Democratic Union, the Liberal Democratic Congress and the PPG – a business pressure group – joining the seven-party government. The aim was to build a strong parliamentary base capable of supporting austere budget policies.

Differences over the division of ministries among the potential partners as well as opposition by the farming lobby to taking the Liberals into government put paid to the attempt.

The result leaves Mr Olszewski and Mr Andrzej Olechowski, the finance minister, with the problem of putting a number of crucial issues to parliament without any certainty of a majority.

The first test will take place this week when parliament must find a two-thirds majority to overturn a constitutional tribunal ruling that a pensions and wages cut for public employees last year was illegal. Should the court ruling be upheld, some Zl 30,000bn (£1.3bn) will have to be paid in compensation.

That would shatter this year's budget calculations and lead to the government's resignation.

The budget for the last three quarters of the year is to be voted on next month followed by laws enabling welfare spending cuts built into the budget to be implemented.

Bonn-Paris action on naval patrol

GERMANY AND France will establish a joint naval squadron next month, expanding bilateral co-operation as a model for a wider European defence force, Bonn's defence ministry said yesterday, Reuter reports.

Patrol ships from both countries will form a joint sea surveillance squadron which will train by annual rotation in French or German waters under local command, a ministry statement said.

The squadron, which will assemble for the first time on May 14, is part of a joint defence initiative started last year by Chancellor Helmut Kohl of Germany and President François Mitterrand of France.

Mr Kohl and Mr Mitterrand announced last October plans for a 35,000-strong Franco-German corps to be set up by 1995 which they hoped would be the nucleus of a more broadly based European force.

The two advocates of greater unity in the European Community set up a Franco-German brigade of some 5,000 men in 1990.

A Bonn ministry spokesman said the navy element would bring together a German squadron of eight ships and 612 men with French counterparts in the Mediterranean port of Toulon for three weeks of manoeuvres under French command.

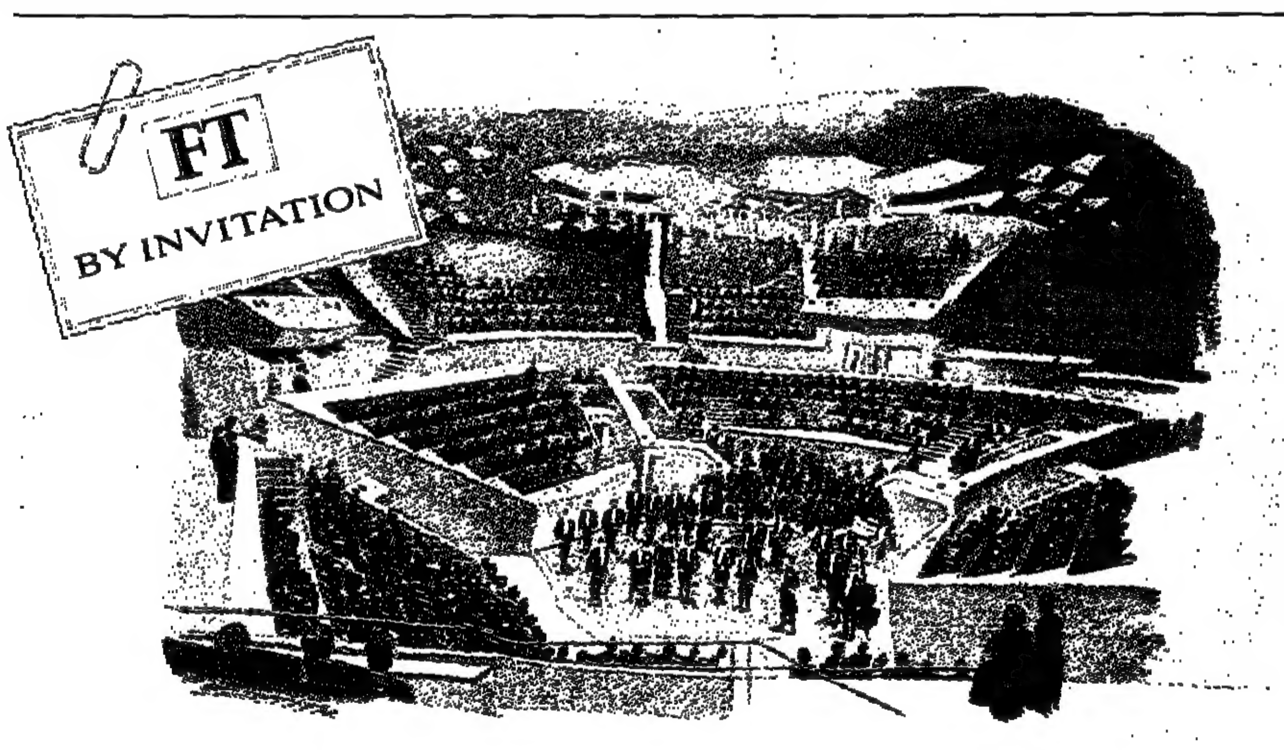
French ports blocked by dockers

STRIKING dockers occupied 12 French ports yesterday, blocking goods and stranding passengers bound for Corsica and north Africa, union and port sources said, Reuter reports from Paris.

The communist-led General Workers Confederation said 97 per cent of the country's 8,300 dockers heeded its call for a stoppage in protest at government plans to reform work practices and cut jobs.

Strikers blocked the ports of Marseilles and Bordeaux on Tuesday night. The stoppage spread to 10 others, including Nantes, Rouen on the river Seine, and Dunkirk.

FT BY INVITATION



A classical weekend in Vienna with The Chamber Orchestra of Europe

The Financial Times invites its readers to join us for a weekend in Vienna to hear The Chamber Orchestra of Europe. We have reserved the best seats at the Musikverein on the 6th and 7th June, when Franz Bruggen will be conducting concerts of Bach, Mozart and Schumann, with Alfred Brendl.

The arrangements we have made with Austrian Airlines and the five star Bristol Hotel allow you to plan your trip entirely to suit yourself, and you may stay for as long as you wish, travel when and from wherever you want, or indeed make your own travel or accommodation reservations separately. All prices take advantage of the special rates we have negotiated - for example three nights at the Hotel Bristol, with return flight from Heathrow and one concert would cost £597, while a stay for only Saturday night would be just £393.

RSVP by completing the coupon opposite. We hope you can join us in Vienna.

6th June	7th June
Bach Suite No1	Bach Brandenburg No1
Mozart Piano Concerto K466	Mozart Piano Concerto K491
Schumann Symphony No1	Schumann Symphony No4

Austrian Airlines daily flights

	Depart Heathrow	Arrive Vienna
OS460	07 35	10 55
OS452	10 25	13 40
OS456	18 20	21 30
	Depart Vienna	Arrive Heathrow
OS451	07 50	09 25
OS455	15 55	17 20
OS459	1845	20 15

Prices quoted include return Apex fare, which must be over Saturday night, bed & breakfast at hotel, and assume double occupancy of room.
Tickets are subject to availability and offer closes 26th May 1992.
Addresses supplied by readers in response to this invitation will be retained by the Financial Times, which is registered under the Data Protection Act 1984.

TO: NIGEL PULLMAN, FINANCIAL TIMES, NUMBER ONE, SOUTHWARK BRIDGE, LONDON, SE1 9HL. Fax: 071 873 3064

Please tick box for option required

☐ I enclose a cheque for £ ________ (£597 per person, three nights. £393 per person, one night) made payable to the Financial Times. It is regretted that credit cards cannot be accepted.

Flight details

Out Date ________ Flight OS ________
Return Date ________ Flight OS ________
Initials and name of second passenger ________

☐ Please send me details and prices of the tailor made classical weekend in Vienna.
I am interested in flying from ________ (city)

TITLE ____ INITIAL ____ SURNAME ________
ADDRESS ________
POST CODE ________ DAYTIME TEL ________

The Financial Times (Europe) Ltd
Published by The Financial Times (Europe) GmbH, Frankfurt Branch, Nibelungenplatz 3, 6000 Frankfurt-am-Main 1; Telephone 49 69 156850; Fax 49 69 5964481; Telex 416193. Represented by E. Hugo, Managing Director. Printer: DVM GmbH-Hürriyet International, 6078 Neu-Isenberg 4, Frankfurt. Responsible editor: Richard Lambert, Financial Times, Number One Southwark Bridge, London SE1 9HL. The Financial Times Ltd, 1992.

Registered office: Number One, Southwark Bridge, London SE1 9HL. Company incorporated under the laws of England and Wales. Chairman: D.E.P. Palmer. Main shareholders: The Financial Times Limited. The Financial News Limited. Publishing director: J. Rolley, 168 Rue de Rivoli, 75044 Paris Cedex 01. Tel: (01) 4297 0621; Fax: (01) 4297 0629. Editor: Richard Lambert. Printer: SA Nord Eclair, 15/21 Rue de Caire, 59100 Roubaix Cedex 1. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

Financial Times (Scandinavia) Vimmelskaftet 42A, DK-1161 Copenhagen-K, Denmark. Telephone (33) 13 44 41. Fax (33) 935335.

EUROPE IN THE FIRING LINE

Coping With the Challenge of Japanese Cars and Trucks

Europe is under attack by Japan's car and truck makers and suppliers. How strong are Europe's defences? Euromotor's new report provides the intelligence, tactics and strategies both sides need in this critical battle.

- Specific recommendations for actions by European vehicle makers, suppliers, designers, marketers and sellers — and also by their Japanese company counterparts — to improve their positions in Europe in the 1990s.
- Forecasts to 1999 of vehicle market and segment trends in the EC, Efta, national markets and Europe as a whole, including outlooks for survival for the besieged members of the European Big Six.
- Full and detailed assessment of the impact of the Elements of Consensus car and truck trade agreement between the EC and Japan on the European vehicle market and on the prospects for both vehicle producers and their suppliers in Europe.
- Independent assessment of the size, nature and attributes of the challenge posed by the Japanese car and truck makers and their suppliers to their rivals in Europe as the Japanese seek to exploit the world's largest car market.

For details and an order form, please send your business card to:

Euromotor Reports Limited
Suite 3701
105-106 New Bond Street
London W1Y 9LG, England.
Telephone (071) 493 7711
Facsimile (071) 491 8997

281 pages, 94 tables
50 graphs and illustrations
Price £1,450

EUROMOTOR™ REPORTS

NEWS: EUROPE

French prepare for debate on Maastricht

By Ian Davidson in Paris

FRANCE'S Socialist government yesterday adopted a draft law to revise the constitution, a critical step towards ratifying the Maastricht treaty on European Union.

The draft law was immediately forwarded to the National Assembly for debate and the government said it hoped the revision and treaty ratification could be completed before the summer holidays.

However, the constitutional revision will be the object of a political barrage from the Socialist government's conservative opponents, even those who in principle support Maastricht objectives.

Mitterrand: popularity low

Mr François Bayrou, secretary general of the centre-right UDF umbrella grouping, while declaring that "there is no other possible destination for France than Maastricht", said his party would demand and obtain amendments to the draft law.

The main aspects of the treaty dealt with in the new constitution law but disputed by the opposition are the plans for a single currency and the provision that residents from other Community countries should be allowed to vote and be elected in local elections.

The government's problem is that the Socialist party does not command an absolute majority in the National Assembly. The Communists are hostile to the treaty and, on the right, the Gaullists are hostile to the government.

The latter should make good the short-fall with the help of the centrists and members of the UDF, most of whom support the EC.

But the UDF, together with the RPR Gaullist party, plans to set conditions for its agreement in parliament, which could create uncertainties for the parliamentary arithmetic.

President Franc,ois Mitterrand has made clear he wants the constitutional revision to be enacted in a purely parliamentary process. In the first phase, the two houses would pass the necessary legislation by a simple majority. In the second, the two houses sitting together in Versailles in a so-called Congress would pass the same revision by a three-fifths majority.

As an alternative second phase, in place of the joint Congress session, the government can put the constitutional revision to a referendum.

In either case, the second phase could be risky for the government. If the Gaullists mobilise additional support for restrictive conditions, they could prevent a three-fifths majority in Congress. But if the government opts for a referendum, it would put on the line not just the treaty but also the position of President Mitterrand, whose popularity is at a record low.

In the last resort, the Gaullist party will be reluctant to take responsibility for bringing down the Maastricht treaty. Mr Jacques Chirac, Gaullist leader, has this week started to back away from his demand for a referendum.

If the constitutional revision does go through, parliamentary ratification is likely to become a foregone conclusion.

Five conditions have been spelled out by the Gaullists, and in part echoed by the UDF:

- The French government must give parliament greater influence over Community decision-making;
- France must have legal protection against excessive bureaucratic expansion by the Brussels authorities;
- Long-term residents from other Community countries may vote in municipal elections, but may not be elected mayor;
- France must not surrender totally its right to decide which foreign nationals require visitors' visas;
- The government must undertake to consult the French parliament before abolishing the French franc in favour of a single European currency.

None of these conditions is absolutely incompatible with the treaty.

Swiss ponder their franc and splendid isolation

Ian Rodger examines the intensifying debate over moves for greater co-operation within Europe

AS THE dates for Swiss decisions on joining the European Economic Area (EEA) and the European Community (EC) draw nearer, it appears that monetary policy and the future of the Swiss franc will be at the centre of the public debate on whether to end 700 years of splendid isolation.

In the past few months, the economic pain caused throughout Europe by the German Bundesbank's severe monetary policy has given the Swiss a demonstration of the negative effects of belonging to a pan-European monetary system.

While the Swiss franc does not participate formally in the European Monetary System (EMS), the Swiss National Bank (SNB) tries to keep the currency stable, especially in relation to the D-Mark. This is partly to maintain the franc's image as a stable haven currency and to keep in step with the European trend.

But the central bank's main responsibility is to set an appropriate monetary policy for the domestic economy, which has been in recession for more than a year. It has been easing money supply for some time to help stimulate a recovery and in December had the audacity not to follow the Bundesbank's 0.5 per cent official interest rate rise.

However, foreign exchange traders early last month decided that the bank could not have it both ways. In a few hectic trading sessions, they drove the franc down about 3 per cent against the mark. The bank, wearing its European-solidarity hat, chose to intervene, but, in doing so, pushed up short-term interest rates to levels that threaten to prolong the domestic recession and drive up politically sensitive mortgage interest rates.

For the anti-EC forces, the message was that policies set by a distant authority – in this case the Bundesbank – are often inappropriate for local conditions. Therefore, it is better to keep one's distance, not just from the EMS, but also from the EEA and the EC.

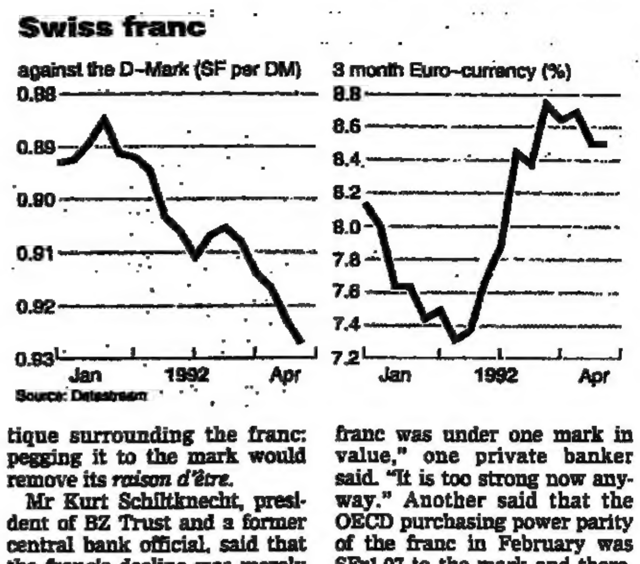
For the pro-Europeans, the events were merely part of an inevitable process of bringing Swiss interest rates, which have been traditionally lower than those in Germany, into line. They argue that, because the Swiss economy performs at virtually the same pace as the German one, the country has little to fear and much to gain from moving towards currency union.

The debate, which has been rumbling beneath the surface for some time, burst into public view late last month when one of the leading Swiss economic forecasting institutes, the Konjunkturforschungsstelle (KOF), openly proposed pegging the franc to the mark. The institute painted a gloomy picture of slow recovery for the Swiss economy, hindered by, among other things, uncertainty over the outcome and economic impact of imminent decisions on the country's integration into Europe. It said that, in this "special situation", the bank should declare a floor mark exchange rate for the franc at about SFr0.91 to stabilise expectations for the currency.

Mr Thomas Hess of KOF said the alternative of letting the franc float was too risky: one could not predict how far it would fall, and franc interest rates might continue to rise anyway.

The view found support in another institute, the Basle Economic Cycle Research Group (BAK). Mr Urs Müller, vice-president, argued that Switzerland had little to fear from convergence since its productivity was probably closer to that of Germany's than other European countries'.

This was denounced as heresy along Zurich's Banhofstrasse, where gnomes have long prospered on the mystique surrounding the franc: pegging it to the mark would remove its *raison d'être*.



Source: Datastream

Mr Kurt Schiltknecht, president of BZ Trust and a former central bank official, said that the franc's decline was merely a reflection of the ever-strengthening mark rather than an indication of real weakness. "The depreciation of the Swiss franc is absolutely in line with what you would expect at this time," he said.

He was unconcerned about a devaluation: "Credibility is the result of an evaluation of policy over many years. Nobody is going to change his view on the basis of a single move."

Other bankers agreed. "It was not so long ago that the franc was under one mark in value," one private banker said. "It is too strong now anyway." Another said that the OECD purchasing power parity of the franc in February was SFr1.07 to the mark and therefore indicated considerable room for weakening.

The debate is likely to intensify. A referendum to ratify the EEA treaty is expected early next year, and Berne is thinking of applying to join the EC even sooner.

Also, if the monetary squeeze became severe enough to provoke higher mortgage rates, the temperature could increase even more. These would be extremely unpopular when the property market and the construction industry are on their knees. A rise would also be inflationary. Rents, which are indexed to mortgage rates, account for 18 per cent of the retail price index.

It is worth noting that support for European institutions is highest in French-speaking Switzerland, where the property market is weakest.

In the German-speaking cantons, polls indicate that the majority supporting any move towards integration with Europe is a fragile one.

Suspicion of remote governments, even the one in Berne, is deeply rooted, and fears about being marginalised or penalised for staying out of Europe are not great. Mr Schiltknecht said, "We are the EC's second-largest market, and they have a trade surplus with us. Why would they want to hurt us?"

Mr Beat Philipp, economist at Bank Vontobel in Zurich, believes the central bank and the big commercial banks have made a secret agreement under which the latter will not raise mortgage rates provided that the former does not let three-month Euro-franc interest rates go above 8.5 per cent. But, with the franc sinking to SFr0.92 to the mark last week, that agreement, if it exists, could be tested soon.

Ozal clashes with Demirel over Kurds

TURKISH President Turgut Ozal has sparked a row with the coalition government with his proposal to allow television broadcasts in the Kurdish language, a move which Mr Suleyman Demirel, the prime minister, has declared unconstitutional.

Mr Ismet Inonu, the deputy prime minister, yesterday warned against falling into Mr Ozal's "trap". But by playing on the Kurdish issue, the president is seeking to exploit divisions in Mr Demirel's conservative-led coalition, particularly among Mr Inonu's Social Democrats, who have long argued for full cultural rights for the Kurds.

The president called on the government to approve Kurdish programmes for the south-east provinces where most of Turkey's 10m Kurds live. He challenged Mr Demirel "to show that Kurdish citizens cannot be cut off from the rest of the nation," and to meet Turkey's commitment as signatory of the 1990 Paris charter on human rights.

Mr Ozal last year lifted the ban on the use of Kurdish, paving the way for Kurdish newspapers and a privately financed Kurdish cultural institute which opened last week in Istanbul.

His latest suggestion follows a new wave of violence in the south-east where the separatist Kurdish Workers Party (PKK) is fighting for independence.

The row follows earlier controversy over the presidential veto to oppose government appointments and open disagreement on Turkish policy towards the Karabakh dispute in the Caucasus.

The dispute reflects long standing rivalry dating from the 1970s when Mr Ozal was Mr Demirel's chief economic adviser before working for the military after Mr Demirel was ousted in the 1980 coup. President Ozal attracts charges of making partisan use of his office.

Stolpe refuses to resign amid fresh Stasi claims

By Leslie Colitt in Berlin

MR Manfred Stolpe, east Germany's most popular politician, yesterday resisted pressures to resign as prime minister of Brandenburg state after fresh allegations that he was an informer of the former Stasi security police.

German television and the Berlin newspaper BZ produced Stasi documents purporting to show that Mr Stolpe was a top Stasi informer on the Protestant Church whose code-name was "Secretary".

Mr Stolpe was formerly the senior lay official in the Protestant Church of Berlin-Brandenburg. He said yesterday he would present documents showing the Stasi kept a file on "Secretary" five years before his first meeting with a Stasi officer and that the file consisted of information collected on him.

BZ quoted Mr Klaus Rossberg, a Stasi officer who worked with "Secretary", as saying he regularly met Mr Stolpe from 1969.

The newspaper also cited a Stasi document allegedly showing that Mr Stolpe favoured arresting members of Church-backed civil rights groups. Mr Stolpe called this "nonsense".

- West German retail sales in February were around 2.5 per cent lower than a year earlier, and showed no improvement over the previous month, the HDE retailers' association reported said yesterday, writes Christopher Parkes in Bonn.

Acer believes there is room for a different kind of computer company. One that not only offers everything from entry level PCs to 200 person UNIX™ networks, but designs them to grow when you do. Advance when technology does. And work as hard for your money as you do.

For example, Acer invented ChipUp™. A breakthrough technology that allows you to upgrade a 386SX system to a 486 simply by adding a new chip. It's like buying a new computer for the price of a single chip.

Today, just about everyone can use a computer. That's why we make a computer for just about everyone.

For people on the move, the AcerAnyWare™ notebook computers pack the power and features of machines

5 times their size–for prices that are less than most other notebooks. There's a full range of high-performance, low-cost models to choose from.

We can also make a lot of people happy all at once. Our 64-bit bus, multiprocessor AcerFrame™ fileservers bring minicomputer performance to your desktop. And they're backed by our 10 years of experience in distributed processing, networks and UNIX systems.

We invite you to see the complete range of Acer computers, including our affordable AcerMate™ line. And ask about our wide selection of AcerView™ monitors, laser printers, keyboards and other peripherals.

Call 0753 693738 and tell us exactly what you need. And then we'll give you exactly what you want.

Acer, the Acer logo, ChipUp, AcerAnyWare, AcerFrame, AcerMate and AcerView are registered trademarks of Acer Inc. and Acer America Corp. UNIX is a registered trademark of AT&T Bell Labs.

US derided for movie-driven fixation with unknown fate of servicemen

Hanoi offers all help in hunt for missing GIs

By Victor Mallet

MR DO MUOI, general secretary of Vietnam's ruling communist party, yesterday issued a challenge which Washington will find hard to resist if it wishes to avoid courting further international ridicule for its fixation with US servicemen missing from the Vietnam war.

Vietnam, the communist party chief told a group of visiting US senators in Hanoi, would provide whatever help was needed to assist the hunt. Pressing home the point, he asked them three times to say precisely what they wanted so it could not be said that Vietnam had failed to co-operate.

This week the six Americans staffing the MiA (missing in action) office in Hanoi – up a staircase with a stained carpet in the Boss Hotel – were joined in Vietnam by the five senators from a select committee on PoW/MiA affairs and by 58 investigators who will conduct the latest in a series of month-long searches for living US prisoners and the remains of US servicemen.

The US also maintains offices in Hawaii, Bangkok, Phnom Penh and Vientiane to conduct and co-ordinate the hunt. Vietnam, desperate to persuade Washington to lift an economic embargo which deprives it of funds from the World Bank, the International Monetary Fund and the Asian Development Bank, says it has spent half a million man hours on the hunt for MiAs in the past four years.

Vietnamese officials and American businessmen anxious to start work in Vietnam are unable to contain their frustration at the US administration's refusal to lift the embargo. Few senior American officials believe there are really any living US captives in Indochina, and they admit in private that their policies are driven by popular fantasies stoked by the film industry rather than by hard evidence.

Detailed investigations more than a decade ago found no proof that any living Americans had been left behind after the war's end in 1975, one US official involved in the search said, "but the public perception has changed, and public perception does drive government policy".

Senator John Kerry, chairman of the select committee, said as much himself this week when he told a news conference in Phnom Penh that "politics is perception" and cited a public opinion poll showing that two thirds of Americans think their fellow countrymen may still be held against their will in Indochina.

The US administration lifted a ban on direct telecommunications between the US and Vietnam a week ago, but has linked the full restoration of relations to a "road map" of conditions which embraces not just the MiA issue but the successful implementation of a peace accord in Cambodia.

US presidential candidates have shown no inclination to alienate voters by following the example of a Sgt William Brown, whose medals are displayed in the "Exhibition House of Aggressive War Crimes" in Ho Chi Minh City (Saigon) with the message: "To the people of a united Vietnam. I was wrong. I am sorry."

Vietnamese officials and American businessmen... are unable to contain their frustration at the US refusal to lift the embargo. Few senior American officials believe there are really any living US captives in Indochina, and they admit in private that their policies are driven by popular fantasies stoked by the film industry rather than by hard evidence.

For Vietnam, the worst aspect of the embargo under the Trading with the Enemy Act is a veto on aid from multilateral institutions, which could help the country develop its meagre infrastructure and finance economic reforms.

Vietnam is also prohibited from buying US equipment, such as aircraft, although Coca-Cola imported from neighbouring countries is freely available and businessmen say Vietnamese-made garments with Korean or Taiwanese labels are exported to the US.

The US is derided by Vietnamese and expatriates alike for its obsession with "captive" MiAs, but US investigators insist that economic pressure has made the Vietnamese more forthcoming in locating remains and that the Vietnamese authorities could do still more to assist the search. At the centre of the dispute is the unknown fate of 135 of the 2,266 missing Americans, because many of the rest are known to have died at sea or in the air or been obliterated in landmine explosions.

US officials speak of differences between hardliners and liberals among Vietnamese communist officials over how to respond to US demands for information, and say there is forensic evidence that some of the remains returned to the US had been stored above ground for a time – and therefore could have been handed over sooner.

On the Vietnamese side the one positive effect of the embargo, according to Vietnamese officials and foreign businessmen and diplomats, is that it has forced Hanoi to enforce strict financial discipline and make its way in the world without the easy credit which has been the ruin of many a developing country.

The government, however, is openly resentful of the US refusal to restore ties when Vietnam has withdrawn from Cambodia and provided assistance in the search for MiAs, as demanded by the US "roadmap". The Vietnamese think the Americans are still sore because they lost the war.

"If we declare war with the US today and say we are defeated tomorrow, then the embargo would be lifted," was the sarcastic comment of Mr Le Bang, who heads the Americas department at the foreign ministry. "The MiA issue is not really the fault of Vietnam or the US government but of the Vietnam syndrome."

Dump Truck shouts foul

By Stefan Wagstyl in Tokyo

Konishiki: 'demeaning style'

KONISHIKI, the American sumo wrestler, has swung a heavy punch at the Japan Sumo Association in his efforts to win elevation to *yokozuna*, the sport's highest rank never yet achieved by a foreigner.

In newspaper interviews this week, he has accused the association of "racism" for denying him promotion, even though he has won three tournaments.

The charge, denied by the Sumo Association, could generate friction between the US and Japan, if American politicians choose to take up Konishiki's case.

The 262kg Hawaiian, also known as the Dump Truck, said the only reason he had not been made a yokozuna was "because I'm not Japanese".

The sumo association declined to comment on Konishi's claims. But it said a wrestler's rank was decided by his performance in the ring and race was not a consideration.

The latest row over Konishiki's status erupted after he won his third tournament in March. After some deliberation the wrestler was told he would have to wait "until the next tournament or the tournament after that".

There are no specific standards for promotion, but the sumo promotion committee has considerable discretion. As well as results, it takes into account health and spirit. Konishiki's style irritates some fans because he relies on using his vast bulk to push out rivals. Purists argue this demeans the sport and a true *yokozuna* should have a better range of throws and thrusts.

There have also been suggestions that foreigners cannot be *yokozuna* because they cannot appreciate the significance of sumo in Japanese culture.

Assad seeks to retrieve Arab dignity

By Tony Walker in Cairo

PRESIDENT Hafez al-Assad of Syria rarely strays far from his Damascus citadel and is not an enthusiastic traveller. His tour of all six Gulf Co-operation Council states this week was a measure therefore of his apparent determination to assert leadership in dealing with the latest crisis to befall the Arabs.

While initial reports suggested that Mr Assad was seeking to bolster Arab support for Libya in its confrontation with the west, it seems that the wily Syrian leader had a much broader purpose.

A western official in Damascus observed yesterday that Mr Assad's mission to the Gulf was designed to deliver a message to his brother Arabs that Arab dignity was being demeaned by the west's handling of the Libyan crisis, and that only by presenting a united front would the Arabs salvage credit for their future dealings with powerful western states.

With the collapse of the Soviet Union, Syria has been obliged reluctantly to accommodate itself to a so-called new world order and the reality of US predominance in the Middle East, but Mr Assad is likely to have argued in his talks with Gulf rulers that Arab solidarity was the best response to western pressures.

In Cairo, where Mr Assad's tour of Gulf capitals is being observed with more than passing interest, an Egyptian foreign ministry official said the Syrian president's aim was to "rally support" to try to ensure that the Arab consensus as embodied in the resolutions of the Arab League would be respected by the international community.

The Syrian leader is certain to have argued, with his eyes firmly on the peace process, that Arab weakness and disarray was not a sound basis from which to engage in delicate Arab-Israel negotiations.

Damascus, which has shunned multilateral talks involving Israel and the Arabs including Gulf states, believes that simply by engaging in such talks Arab states were handing Israel a diplomatic windfall without gaining anything in return, since the Israeli government has given no sign it might trade land for peace in bilateral negotiations with its neighbours.

Mr Assad's other goal, according to officials in Damascus, was to remind Gulf rulers of their commitment to the Damascus Declaration signed in March, 1991 a few days after the end of the Gulf war. The Gulf states plus Egypt and Syria agreed to co-operate in defence and other fields, but implementation of the agreement has been stalled by Gulf hesitancy on the issue of the stationing of Egyptian and Syrian troops in the region to ensure regional security.

Syria was extremely disappointed when a meeting of the Damascus Declaration group scheduled for last month in Qatar was postponed until May. Interestingly, Egypt has also been expressing frustration over delays. Its foreign minister, Mr Amr Moussa, said yesterday: "Egypt, which refuses any amendments to the defence agreement, feels that the accord will become extinct if it is not immediately implemented."

Israeli army accused of using 'death squads'

By Hugh Carnegy in Jerusalem

THE Israeli army has become embroiled in allegations that it is operating a "shoot-to-kill" policy against Palestinian activists in the occupied territories following a recent spate of killings by army squads working undercover in the West Bank and Gaza Strip.

In a dispute similar to a controversy in Northern Ireland in the 1980s over police killings of IRA suspects, Palestinian leaders accuse Israel of deliberately executing street-level activists of the four-year *intifada*, or uprising against Israeli rule.

Of 31 Palestinians killed by Israeli troops this year, at least 17 have been shot by undercover squads. Last year about 30 per cent of the 109 Palestinians killed were shot by the squads, a higher proportion than the previous year.

The Israel Defence Forces (IDF) freely acknowledge the existence of the squads. But it strongly denies any "shoot-to-kill" brief, saying the intention is to arrest suspects often accused in the murders of Palestinian "collaborators". It says some of those killed were armed and all ignored warnings before being shot.

However, the army's insistence that its rules are strictly adhered to has come under severe question this week. An Israeli couple visiting Arab friends in the West Bank village of Dura, near Hebron, say they witnessed the shooting and wounding of two men painting *intifada* slogans by an army squad.

"We were sitting on the porch having dinner and then we saw three masked young men with pots of paint in their hands. Suddenly a civilian car with (West Bank) licence plates arrived," Mr David Elimelech told the newspaper Ha'aretz. "Several people got out of the car and shot bursts at the young men from a distance of two or three metres. They shot without warning. They shot without saying a word."

Mr Elimelech and his wife Aviva said when they realised the gunmen were soldiers, they protested, but were forced inside their friend's house at gunpoint, struck and sworn at. Their host said soldiers came to his house the next day, beat him and threatened his family if he complained.

The IDF said the two Palestinians, who were not killed, were "armed with chains" and had ignored warnings to surrender. It denied the Elimelechs were struck and accused them of obstructing and threatening the soldiers.

The Elimelechs story nevertheless had a striking resemblance to the testimony of Palestinian witnesses in many other incidents involving shootings by undercover squads.

It has highlighted the way army tactics against the intifada have increasingly concentrated on targeting what the IDF sees as a hardcore of several thousand activists, who in turn have shown themselves more willing to use firearms over the past year.

Although undercover squads, often in Arab dress, have operated since the beginning of the uprising, their existence was only publicly acknowledged by the authorities last year.

Pakistan to ask for $2.4bn in aid

By Farhan Bokhari in Islamabad

THE Pakistani government will seek $2.4bn in fresh assistance from members of Aid to Pakistan consortium, which begins its meeting in Paris today.

Despite economic pressures caused by a drop in international prices for cotton and yarn, and last year's rise in the oil import bill after the Gulf War, Pakistan, in presenting its case, is expected to highlight signs of economic growth.

According to official estimates, the projected growth rate for 1991/92 is 6.5 per cent, exports have risen by 13 per cent and inflation has declined from 12.5 per cent to 9.5 per cent. Among the country's major liabilities during the year ahead, debt servicing alone would account for $1.5bn which would absorb a major portion of commitments made in Paris.

Mr Sartaj Aziz, the finance minister, who is leading the Pakistani delegation, said before his departure there were good prospects of obtaining this amount of aid. Pakistan would present plans for a social action programme to improve the status of the poor, and a new environmental strategy. "The social action programme is the second wheel of our development strategy, one being accelerated growth and investment through privatisation and deregulation, the other being a very strong social action programme," added Mr Aziz.

Western economists and government sources say the programme has been prepared in response to concerns from donors, some of whom want Pakistan to double its spending in the social sectors from the current level of between 3 to 4 per cent of GDP. The environmental strategy has also come in response to concerns over continued deforestation and soil erosion, resulting from an annual population growth rate of 3.3 per cent and inadequate resource allocations for these sectors.

Among other concerns, western donors are expected to examine the country's large defence spending, which absorbs almost a third of the budget.

Officials say the issue remains sensitive, because of continuing tensions with India, and due to resistance from the politically influential army.

Li calls for reduced role of socialism

LI PENG, China's prime minister, has said the role of the state in the socialist system must be cut back, Reuter reports from Beijing. Li, a hardliner with close ties to elderly Communist Party conservatives, told a group of visiting scholars that China must make "fundamental changes in an economic structure which has shackled the development of productive forces", the official media reported yesterday.

His pro-market statements, made at a seminar on economic reforms on Tuesday, are among the clearest signs to date that he is bowing to economic change as advanced by Deng Xiaoping, 87, the paramount leader.

"The general trend in China will be for market regulation to expand greatly, while direct planning continues to diminish," the official New China News Agency quoted Li as saying.

But his speech offered no concrete suggestions for reform and underlined his determination to maintain the political strait-jacket imposed on China after the crackdown on pro-democracy protests in 1989. "Structural transformation and reform of the economic system must be implemented against a background of political stability."

The British army yesterday handed over control of Hong Kong's border with China to the local police, 25 years after being called to the colony's frontier, Reuter reports. Above, a member of the 48th Gurkha Infantry Brigade packs his gear at the Sandy Spur observation post.

The army is winding down its duties ahead of 1997, when Hong Kong reverts to Chinese rule. Police manned the 32km border until 1967, when the army was called in after Chinese troops violated the border and shot five policemen dead. In recent years the soldiers' job has been to stem the tide of illegal immigrants.

Iraq launches attack on rebels' marsh stronghold

By Our Middle East Staff

IRAQ has launched a heavy offensive against Shia rebels in the country's southern marshlands, Iraqi opposition groups claimed yesterday.

Troops backed by tanks and artillery have launched a three-pronged attack in the marshes, killing or wounding hundreds, the Iran-based Supreme Council for the Islamic Revolution in Iraq said.

Iraqi opposition groups in London said three Iraqi divisions have been employed in the offensive since April 15, the third attack reported by rebel groups in the south since March.

Fighting is said to have centred on Basra, Amara and Nasiriyah – centres of Shia Moslem revolt crushed by Iraqi troops a year ago.

The attack follows sporadic shelling of Kurdish towns in northern Iraq and intensified concern in London, Washington and Paris about an Iraqi military build up north of the protected 36th parallel.

Iraqi troops are reported to have begun draining large areas of marshland to establish a presence there, after having airdropped leaflets to the thousands of Shia sheltering in the marshes, offering them financial rewards to come out of hiding.

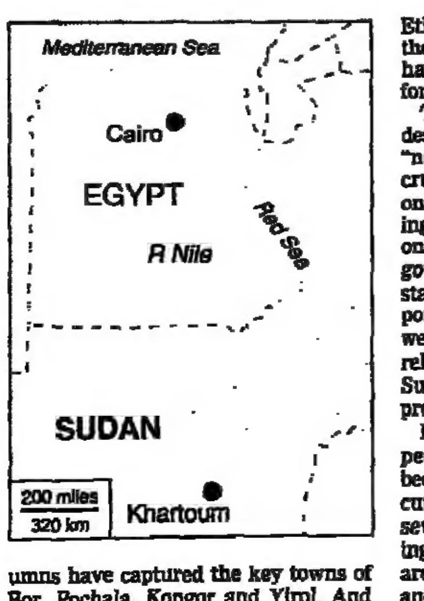
Khartoum presses its offensive against the south

Prospects for peace talks diminish, writes **Julian Ozanne**, while civil-war havoc and suffering go on

FUELLED by support from Libya and Iran, the Sudanese army is waging its biggest and most successful offensive in the nine-year war against southern rebels, forcing hundreds of thousands of starving women and children to flee their homes. Experts say that the offensive is bent on destroying rebel forces at any cost and could provoke southern Sudan's worse humanitarian crisis.

Aid officials working around the clock in Nairobi to ferry food into southern Sudan said yesterday that soldiers of the fundamentalist Islamic government of General Omar Hassan el Bashir were continuing their fierce battle against the remaining strongholds of the mainly Christian Sudan People's Liberation Army (SPLA).

Further emboldened by a damaging internal split in the rebel movement, the Sudanese army has made unprecedented territorial gains in its lightning six-week offensive. Moving by road, and by barge along the Nile, supported with bombing raids by Libyan-supplied MiG jet fighters, Sudanese soldiers advancing in four columns have captured the key towns of Bor, Pochala, Kongor and Yirol. And now, allegedly with Iranian military advisers, they are pushing east towards Akobo on the border with Ethiopia and south to relieve Juba, the besieged southern capital which has long been encircled by rebel forces.



The success of the campaign, described by one analyst yesterday as "nothing short of a jihad (holy war) to crush the south," has been helped not only by the Lybian and Iranian training but by Chinese-made heavy weapons and road-building equipment. The government has also attempted to starve out the civilian population supporting the rebels by imposing a six-week ban on critical United Nations relief flights (the ban was lifted on Sunday after intense international pressure).

It is not possible to know how many people have died from starvation because most of southern Sudan is cut off, but aid workers say at least several hundred people have died during the past six weeks in the few areas with which they are in contact, and that hundreds of thousands of women and children are malnourished and in severe need of food, oral rehydration therapies and medicines in the sun-baked wilds of one of Africa's most inhospitable regions.

Moreover, after the years of rugged bush warfare between the Arab north and black African south, which has reduced southern Sudan to a primitive wasteland, there appears less chance than ever of a resolution to the conflict.

Peace talks, which are apparently being brokered by President Daniel arap Moi of Kenya and Mr Tiny Rowland, chief executive of the Lonrho trading conglomerate, appear unlikely to make any progress. Southern fears of Arab-Moslem domination have intensified to the point where many Christians in the south believe that the intention of the north is genocide.

The government of Gen el Bashir, which seized power in 1989, has continued to build an oppressive Islamic state, and Amnesty International, the international human rights group, said last week that the government's denials of grossly violating human rights had no credibility. Torture, brutal beatings and short-term detention, the organisation said, were the government's standard reaction to dissent: "Prisoners have been shackled and suspended from their cell walls, sometimes upside down, others have had their testicles crushed with pliers."

The US has expressed fear that Iran is establishing a "beach-head" to export Islamic revolution across Africa and provide a base from which terrorist groups can operate. Last Thursday, Sudan's military-appointed assembly declared its support for Libyan leader Muammer Gadaffi and denounced UN sanctions against Libya as an "international crime."

The rebels, for their part, are divided into two factions, one based at Nasir, the other at Kapoeta and Torit, after a split emerged last August in the high command over allegations of gross human-rights violations against Dr John Garang, the SPLA leader. Both factions, partly based on tribal lines, have spent much of the past four months attacking each other's forces and trading insults through press releases and propaganda sheets printed in Nairobi.

Militants urge Algerians to 'take to the gun'

ALGERIA'S Islamic Salvation Front (FIS), with its leaders and thousands of militant supporters locked up, has made its first appeal to Algerians to "take to the gun", Reuter reports.

The banned fundamentalist movement is widely blamed for the killing of nearly 50 members of the security forces in ambushes and isolated attacks since early February.

"After the vain appeals for dialogue, the people must move from the word to the gun," the FIS said in a weekly letter circulating yesterday in mosques and markets in the capital, Algiers.

Up to now, the FIS has skirted the issue of armed struggle, saying only that thwarting the "people's will" – a reference to a cancelled election the party was set to win – could force Algerians to use "other methods".

The authorities scrapped the poll in January, saying that the FIS did not have a mandate to destroy democracy.

The head of the country's five-man presidency, Mr Mohamed Boudiaf, said yesterday that ending the poll was an urgent need in the terrible crisis Algeria faced.

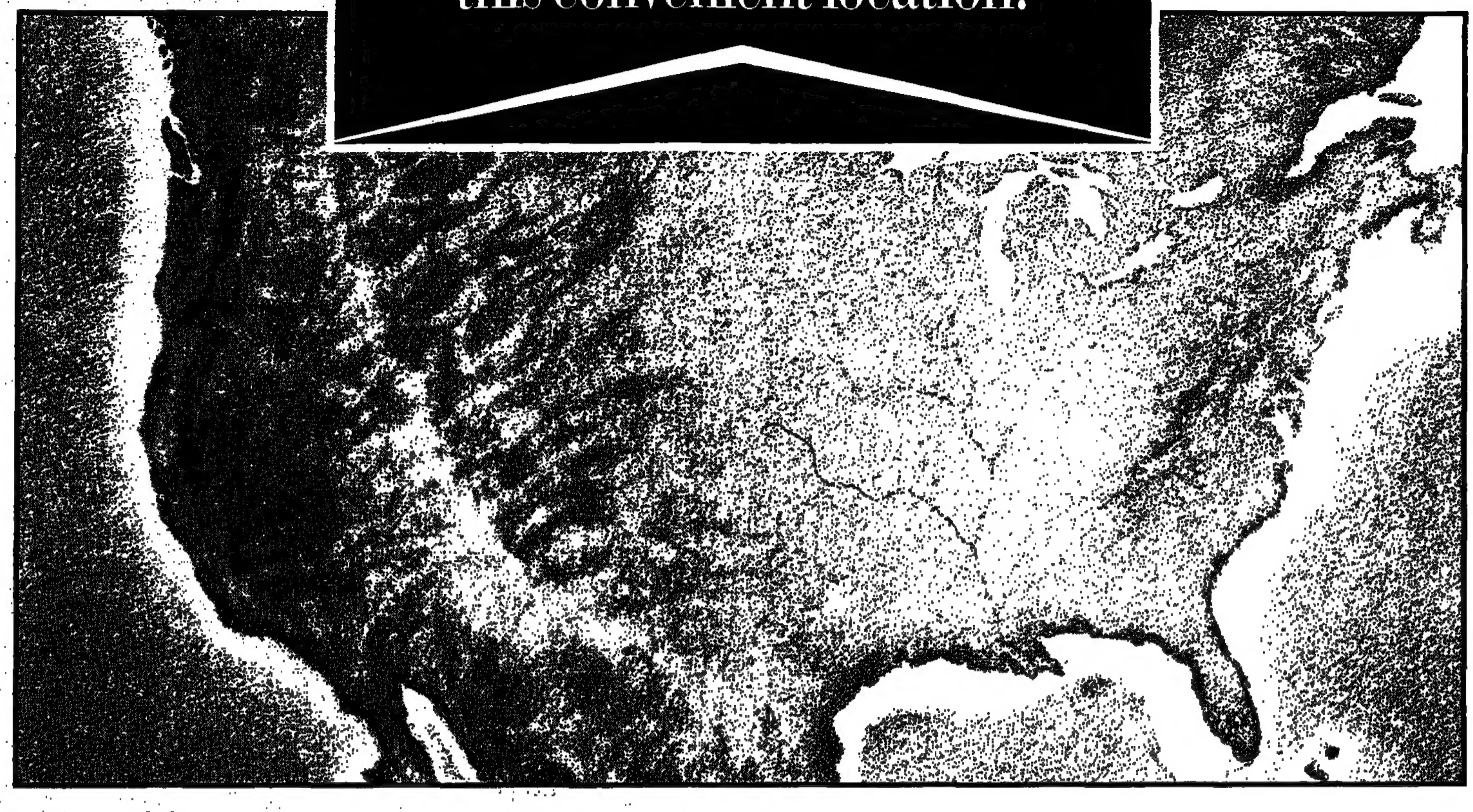
"After 100 days we have been able to banish the spectre of *fitna* [war between Moslems], violence and the splintering of Algeria," he told an inaugural session of a 60-member national consultative council.

The council, which he called "the true silent majority" is to help the leaders in the absence of the dissolved parliament.

Algiers radio on Tuesday quoted an FIS communique saying: "The people will remember the names of the consultative council members and inscribe them on the list of accomplices of the oppressors."

An Algiers court last month ordered the FIS dissolved on the grounds that it was guilty of "multiple violations of the law".

Get a free ticket or upgrade when you visit this convenient location.



If you're planning a trip to the States anytime soon, you could gain a lot by flying Delta Air Lines. To be precise, free return tickets or free one-class upgrades.

This is how it works.

Simply complete a return, First Class flight between now and June 15, 1992, and you'll get a certificate qualifying you for one free Business Class ticket or three free one-class upgrades to any U.S. destination.*

Alternatively, a full-fare Business or full-fare Economy Class ticket qualifies you for one free Economy Class ticket or two free one-class upgrades.

You can use your free ticket anytime between September 15, 1992 and February 28, 1993.† And your free upgrade anytime between September 15, 1992 and May 31, 1993.

This BetterBonus™ offer is available only to Delta Frequent Flyers. And if you're not already a member, we can enrol you instantly. Simply call Delta for details.

As a member of our Frequent Flyer programme, you'll receive a world of benefits, including an initial 5,000 miles just for joining. And, as a new member, if you fly Delta to the U.S. between now and June 15, 1992, you'll receive an additional one-time 5,000 mile bonus, for a total of 10,000 miles. Members also enjoy a 100% bonus on actual mileage in First Class and a 50% bonus on actual mileage in Business Class, as well as credit for hotel stays and car rentals.

And whenever you choose to fly to the States, you'll get the best service in the sky on Delta. Service that's earned us the best overall record of passenger satisfaction of any major U.S. airline.‡

So if you have a trip to the States lined up, why not fly Delta and take a free trip on us later.

For information and reservations, call Delta on 0800-414-767.

You'll find that our BetterBonus promotion has made flying to the States even more convenient than usual.

DELTA AIR LINES

We Love To Fly And It Shows.™

*Awards are valid for travel from the UK to the U.S., excluding Alaska and Hawaii. Travel for qualifying awards must be completed by June 15, 1992. Certificates will be automatically mailed to qualifying members on August 20, 1992. Free ticket award valid for travel between September 15, 1992 and February 28, 1993. †Applicable blackout dates: December 18, 1992 through January 4, 1993. Full-fare First Class passengers earn round-trip Business Class tickets. Full-fare Business and full-fare Economy Class earn round-trip Economy Class tickets. Offer not valid on discounted Economy Class fares. Upgrade award valid for travel between September 15, 1992 and May 31, 1993. Upgrade awards are one-class and are applicable with full Economy Class or full Business Class fares only. Seats for free award travel are limited and may not be available on all flights. Awards may be transferred to a family member with the same surname or to a companion travelling with the member on the same round-trip itinerary. Awards may not be purchased, sold or bartered and are invalid if transferred for cash or other considerations. Award certificates may not be combined with any other award certificates or promotional offer. Some award destinations are served by Delta Connection carriers. Any departure fee, immigration fee, tax liability, or other charges are the responsibility of the member. Qualifying travel based on final destination only, regardless of connecting city or enroute stops. All standard Delta Frequent Flyer terms and conditions apply to this programme. Awards, mileage accrual, and special offers subject to government regulations. Schedules subject to change without notice. Other restrictions may apply. ‡Based on consumer complaint statistics compiled by the U.S. Department of Transportation since 1971. ©1992 Delta Air Lines, Inc.

World Economic Outlook warns governments of need to cut budget deficits after recovery

IMF laces growth projections with caution

By Peter Norman, Economics Correspondent, in Washington

THE International Monetary Fund's latest growth forecasts for the world economy are laced with caution, as befits an organisation that has knocked 1.3 percentage points off the 1992 global growth forecast it made only last October.

But the Fund believes there are several positive factors to justify its projections of slow growth this year and accelerating activity in 1993 that are detailed in the accompanying table.

- Inflation has been generally low and falling, in contrast to the recessions of 1974-75 and 1980-82. This has allowed a substantial reduction of short-term interest rates in North America, the UK and Japan.
- Large disturbances from the commodity markets have been notable by their absence.
- Factors that caused last year's weaker-than-expected activity are either no longer at work or are diminishing. The economic effects of the Gulf war have dissipated while households and businesses have reduced their high levels of debt.
- Developing countries are improving their economic performance.

On the other hand, the IMF acknowledges that the projected recovery in industrial country growth to 1.8 per cent this year from 0.8 per cent in 1991 is lacklustre.

Growth has been held back by worsening consumer confidence in most industrial countries; increased taxation and high interest rates in Germany, which have resulted in high interest rates elsewhere in Europe; and reduced spending on business investment in Japan. These negative factors continue to cast doubt over the prospects for recovery.

'In all the major countries, substantial steps are required to liberalise agricultural trade and reduce domestic support'

The IMF has generally approved of the way governments have allowed their budgets to move into deficit to counter falling economic activity. Similarly, countries such as Canada, the US and Britain, which have suffered recession, or Japan, where activity has slowed, have been right to lower interest rates.

But its latest World Economic Outlook warns that governments must not lose sight of their medium-term objectives of sustainable growth and price stability. They must therefore be prepared to cut budget deficits when growth recovers – and then keep tight control over government spending – and be ready to tighten monetary policy in case inflationary pressures revive.

The need for governments to cut fiscal deficits is one of the main messages of the Outlook. The IMF takes an especially tough line in the case of Germany which, it says, should speed its fiscal consolidation plans.

The large fiscal deficit that emerged in the course of unification initially provided considerable stimulus to activity in Germany and its partners, it says. But growth in Europe is now being constrained by the high interest rates required to deal with the resulting inflationary pressures in Germany.

The Fund is less harsh on the US, which has had a large budget deficit for the past decade.

It regrets that the US and Italy failed to consolidate their budgetary positions during the period of strong growth in the 1980s and urges the US to use growth in the 1990s to cut its deficit. Any discretionary fiscal action by the US should be limited to revenue-neutral tax and public spending reforms that would increase efficiency.

In the case of Japan, which is expected to come under pressure from its Group of Seven partners to bring forward public spending, the IMF says "there is no evident case for a shift in fiscal policy".

It is in the medium term that fiscal consolidation would yield most benefits, the IMF believes.

In the case of the US, a credible package of measures to reduce the deficit would boost confidence and demand.

The IMF also urges the industrialised countries to make greater efforts to correct other important medium-term structural problems.

"In all the major countries, substantial steps are required to liberalise agricultural trade and reduce domestic support," it says.

In addition, tax policies, particularly in the US, should be overhauled to improve the allocation of savings and investments.

Europe's high unemployment points to a need for labour-market reform. The IMF says Japan requires further financial deregulation and reform of competition policy and land management. Germany, meanwhile, must reduce rigidities in its economy, particularly in the industrial and services sectors, and make "long overdue" cuts in subsidies.

World Economic Outlook, to be published in May by the International Monetary Fund, Washington, DC 20431.

WORLD ECONOMIC OUTLOOK HIGHLIGHTS

	1991	1992	1993
Output (Real GDP)*			
World	-0.3	1.4	3.6
Industrial countries	0.8	1.8	3.3
US	-0.7	1.6	3.5
Japan	4.5	2.2	3.9
Germany	1.2	2.0	3.0
EC	0.8	1.8	2.8
UK	-2.2	0.8	3.1
Developing countries†	3.3	6.7	5.4
Africa	1.4	2.7	3.0
Asia	5.8	6.5	5.7
Middle East	0.4	15.0	7.3
W. Hemisphere	2.8	2.7	4.2
E. Europe	-16.6	-1.0	3.9
Former USSR	-17.0	-17.5	n/a
Consumer prices*			
Industrial countries	4.4	3.3	3.2
US	4.2	3.1	3.1
Japan	3.3	2.2	2.4
Germany	3.5	3.8	3.7
UK	5.9	3.7	3.1
Developing countries†	41.4	37.6	16.1
E. Europe	134.7	95.0	44.0
Former USSR	86.0	1000.0	n/a
Unemployment rates (%)			
Industrial countries	7.0	7.3	7.0
US	6.8	6.7	6.2
Japan	2.1	2.1	2.2
Germany	6.5	7.6	7.6
EC	9.1	9.7	9.6
UK	8.1	9.7	9.7
Current account ($bn)			
Industrial countries	-24.0	-49.0	-68.0
US	-9.0	-53.0	-69.0
Japan	73.6	93.0	88.0
Germany	-21.0	-14.0	-9.0
UK	-8.0	-15.0	-16.0
Developing countries†	-85.0	-71.0	-72.0
E. Europe	-7.0	-7.0	-6.0
Former USSR	-2.0	n/a	n/a
World trade volume*	3.3	5.0	6.3

* Annual percentage change. † Excluding eastern Europe and former Soviet Union

Source: IMF World Economic Outlook, April 1992

Ex-Soviet states must learn from 'bold' E Europe

By George Graham in Washington

THE countries of eastern Europe and the former Soviet Union could face a further economic downturn as they cope with the transition to a market economy and the disruption of their traditional trading relations with each other, the International Monetary Fund warns.

Output in the two regions has dropped by an estimated 20 per cent in the last two years, the IMF says in its latest World Economic Outlook. In some countries this has fallen by as much as 35 per cent.

While the Outlook says this contraction is not surprising, given the extent of the economic transformation undertaken in the regions, the extent of the drop has been greater than expected.

The decline appears to have begun to bottom out in some countries but further output losses may yet be in store, especially in the republics of the former Soviet Union, where the process of economic reform has barely started.

"Compared with the eastern European countries, the starting point of the republics of the former USSR is much less favourable," the IMF says. While Russia introduced an economic reform programme in February, most of the other republics have yet to elaborate a comprehensive strategy, it notes.

The Fund argues that the republics should learn from the eastern European experience the need for "bold and comprehensive reform so as to put in place all the main elements of a free-market system from the outset".

Output over the last two years appears to have varied widely between different republics, with Georgia and Armenia suffering the sharpest contractions as a result of the earthquake in 1990 and the blockade by Azerbaijan in 1991.

In Russia, the largest republic, the IMF estimates that real gross domestic product fell 9 per cent last year after growing a scant 0.4 per cent in 1990. In Ukraine, net material product may have dropped by 9.6 per cent in 1991 after a decline of 3.4 per cent a year earlier.

Based on official estimates, however, output may have fallen only slightly or not at all in 1991 in Azerbaijan, Turkmenistan and Uzbekistan.

All the republics share the problem of inflation.

The IMF warns that credit control is effectively non-existent in many republics as real interest rates remain strongly negative and governments and state-controlled enterprises continue to enjoy virtually unlimited access to credit from central banks.

The breakdown of monetary control has further eroded the role of the rouble as a medium of exchange in the former Soviet Union, leading to an increase in barter deals between republics.

It is unclear whether other republics have established the conditions necessary for setting up separate currencies.

"At least in the short run, maintaining the rouble for some, if not all, of the republics could help safeguard a common economic space and avert a further decline in inter-republic trade."

Some republics, the report warns, are vulnerable to the trade shock that can be expected as energy prices are liberalised and rise to world market levels.

Only Azerbaijan, Russia and Turkmenistan have positive balances in energy trade with the other republics.

The damage caused to the economies of east Europe by the collapse in intra-regional trade underlines the importance of safeguarding trading links between republics of the former Soviet Union.

- The IMF has agreed membership terms with Azerbaijan, the last former Soviet republic to complete negotiations to join the organisation.

THE republics of the former Soviet Union have been warned to take urgent action to stop the flight of capital, which is draining away foreign exchange badly needed to make debt repayments and finance investment, writes George Graham.

The IMF warned yesterday that the role of the rouble within the former Soviet Union had been rapidly eroded, and that the currency system was distorted by multiple exchange rates, varying with differing transaction.

Enterprises have been driven to keep their foreign exchange earnings outside the country, to avoid surrendering them at highly overvalued exchange rates, the Fund says. This aggravates the shortage.

Mr Horst Schulman, managing director of the Institute of International Finance, yesterday estimated capital flight from the former Soviet Union at about $10bn (£5.6bn) last year, and said foreign exchange was probably still leaving at a rate exceeding $1bn a month.

Developing country reforms could bolster performance

By Peter Norman

DEVELOPING countries could be facing a decade of sustainable growth after 10 years of stagnation and falling living standards, the International Monetary Fund believes.

"The developing world would appear to be at a critical juncture," the IMF says in its latest World Economic Outlook. "If reforms take hold, and the external environment is favourable, the rest of the decade could see sustainable growth in per-capita gross domestic product; on the other hand, if reforms are not sustained, and if stabilisation policies are relaxed prematurely, growth is likely to remain elusive."

The IMF expects the economies of developing countries, excluding eastern Europe and the former Soviet Union, to grow by an average of 6.7 per cent this year. They shrugged off the economic slowdown in industrialised countries and achieved relatively strong average growth of 3.5 and 3.3 per cent in 1990 and 1991 respectively.

This resilient performance reflected the adoption of structural reform policies in many countries and the reduction of macro-economic imbalances, such as high fiscal deficits and high inflation.

While the prosperity of the industrialised world is still important for the welfare of developing nations, the IMF says it has become increasingly evident in recent years that developing nations' own structural and financial policies are the most decisive determinants of their performance.

It says that the successful newly industrialising economies of Asia – Hong Kong, Indonesia, South Korea, Malaysia, Singapore, Taiwan and Thailand – have pursued generally cautious fiscal and monetary policies and encouraged private-sector activity and export-oriented development.

Similar policies are being adopted elsewhere and have resulted in improved economic performance in countries as diverse as Mexico, Chile, Ghana, Mauritius, Morocco and Tunisia.

The IMF says the 1980s taught a painful lesson that sustained growth could not be achieved in an environment of high and variable inflation. High inflation hampered investment, in particular.

Another IMF finding is that very high military spending in some developing countries has contributed to unsustainable budget deficits and debt servicing difficulties.

The Fund says that military spending in the developing world remains excessive at an average of 4.5 per cent of GDP. With lower spending on arms, many countries would be able to increase capital formation and output and improve living standards.

Grim prognosis on UK recovery

BRITAIN is expected to experience below average growth as it emerges from recession, the International Monetary Fund reported yesterday, writes Peter Norman.

The IMF's latest World Economic Outlook predicts that the UK will have the slowest growth rate of the Group of Seven leading industrial countries this year. The 0.8 per cent increase in GDP projected for 1992 compares with an average growth of 1.8 per cent forecast for all industrialised countries and the Treasury's March Budget forecast of 1 per cent growth in the UK.

Growth in Britain will quicken as the year progresses, with GDP projected to be 2.1 per cent higher in the fourth quarter of this year, compared with the final quarter of 1991. But the 3.1 per cent growth rate forecast by the IMF for 1993 will also be below the 3.3 per cent average forecast for the industrial nations next year.

Elaborating on the projections, Mr Michael Mussa, director of the IMF's research department, said that UK output growth in the opening quarter of this year was close to zero and might have been "slightly negative". But a modest recovery should be beginning "right about now".

He noted that high German interest rates effectively put a floor under UK base rates at 10.5 per cent. But the UK government had allowed the automatic fiscal stabilisers to work and had taken additional discretionary action in last November's Autumn Statement and March Budget.

The IMF thought that these actions were "probably appropriate" even though it now expected the UK's general government deficit to expand to 5.7 per cent of GDP by 1993, from 5.1 per cent in 1992 and 2.3 per cent last year.

IFC restructures its management

THE International Finance Corporation, the private sector investment arm of the World Bank, has overhauled its management structures to cope with the arrival of members from the Eastern bloc, as well as with a $1bn increase in its capital to $2.3bn (£1.29bn), writes George Graham.

Sir William Ryrie, executive vice-president, said the reorganised IFC would include five restructured regional departments as well as new specialist departments covering oil, gas and mining; chemicals and petrochemicals; infrastructure investment; agribusiness; and corporate finance services.

The IFC specialises in providing equity and loan financing at market terms to private-sector companies in developing countries.

Mr Richard Frank remains vice-president in charge of planning. Mr Daniel Adams will be in charge of work on the financial sector.

Peru faces 12-month wait for democracy

By Leslie Crawford in Santiago

PRESIDENT Alberto Fujimori of Peru has announced a 12-month timetable for the restoration of democracy, in an attempt to stave off international economic sanctions against his military-backed government.

Mr Fujimori, who closed Congress and suspended the judiciary on April 5, said parliamentary elections would be held next February. In his speech, broadcast on Tuesday night, the president said he would hold a referendum on July 5 to obtain an endorsement for his "emergency government".

Amendments to the constitution would be announced at the end of August, and these would be put to another vote in November.

Mr Fujimori said it was not his intention to install a dictatorship, but to build a "new, more efficient democracy". He has pledged to rid Peru of corruption and drug trafficking, and to end a 12-year guerrilla campaign that has claimed more than 23,000 lives, mainly civilian.

There was no immediate reaction from a delegation of the Organisation of American States (OAS) that arrived in Lima this week to press Mr Fujimori to restore constitutional rule. But the president's speech was clearly timed to impress the visiting diplomats.

At home, Mr Fujimori is now struggling to maintain business confidence following the resignation of Mr Carlos Boloña, the finance minister.

Mr Boloña was regarded as the key cabinet minister who could have maintained links between Peru and the international financial community.

The Lima stock exchange plunged on the news of the resignation. Mr Augusto Blacker Miller, the foreign minister, is expected to take over the finance portfolio.

Meanwhile, Mr Maximo San Roman, the former vice-president, has been sworn in as president by the dismissed Congress. He said he would establish a new government and asked for support. Mr San Roman claimed he had the backing of high-ranking military leaders, but on Monday the armed forces issued a communiqué reaffirming their allegiance to Mr Fujimori.

About 400 rival supporters of Mr Fujimori and Mr San Roman scuffled in front of the hotel where the OAS delegation was meeting separately with government and opposition representatives.

Demonstrators taunt supporters of President Fujimori gathered outside the Lima hotel used by OAS delegates

Duke ends campaign for US presidency

By Jurek Martin, US Editor, in Washington

MR David Duke, a former leader of the Ku Klux Klan, yesterday abandoned his quest for the Republican party's presidential nomination this year.

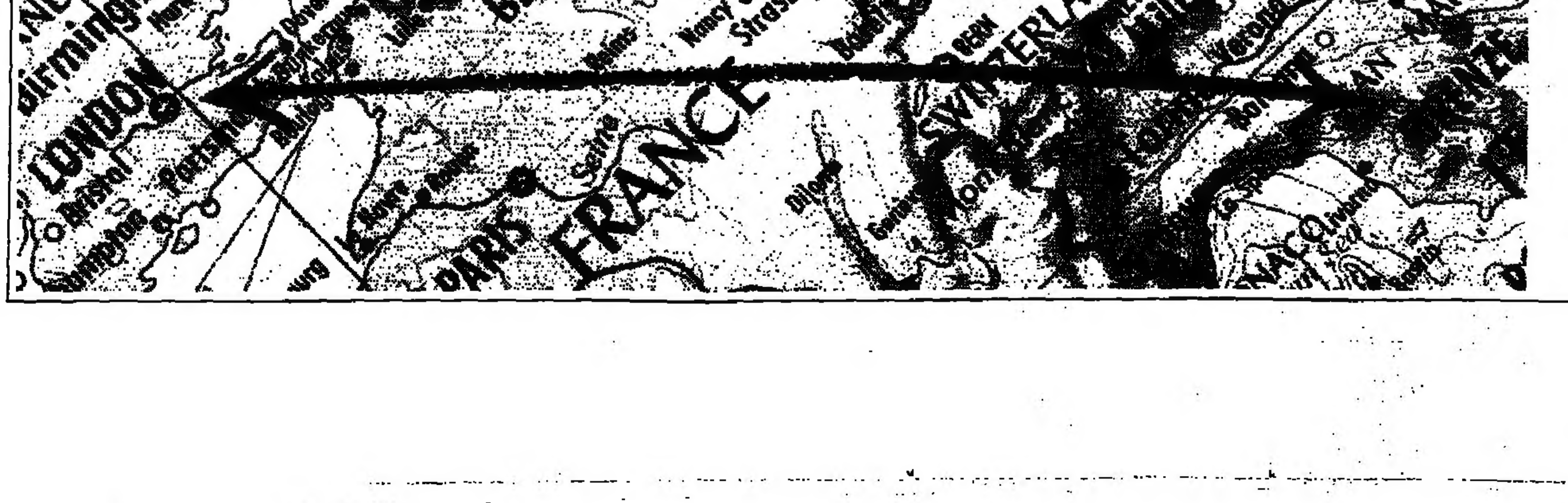
Mr Duke's campaign has effectively been moribund since the Super Tuesday primaries early in March, when his appeal to white southerners produced only a minimal response. In the primaries he had won no delegates.

He complained yesterday he had been kept off the ballot in many states, which he said was more worthy of the former Soviet Union than the US.

Six months ago, after finishing a respectable second in the contest for the governorship of his home state, Louisiana, Mr Duke was seen as a potentially disruptive political force. In the event, having decided to run as a Republican, the party's right wing preferred Mr Pat Buchanan, the conservative polemicist, to Mr Duke's more explicit racist and anti-homosexual arguments.

Meanwhile, the New York Times reported yesterday that Mr Paul Tsongas, still second to Mr Bill Clinton in accumulating Democratic party delegates, suffered a previously unrevealed recurrence of cancer in 1987. Mr Tsongas had retired as senator from Massachusetts because of cancer and in his campaign had made much of his recovery from the disease.

He said he did not recall the results of a biopsy taken in 1987 beyond that his doctors were divided over its outcome. Extra radiation treatments then given were preventative, he added. Doctors interviewed by the newspaper were divided over the dangers of a further recurrence over the next few years.

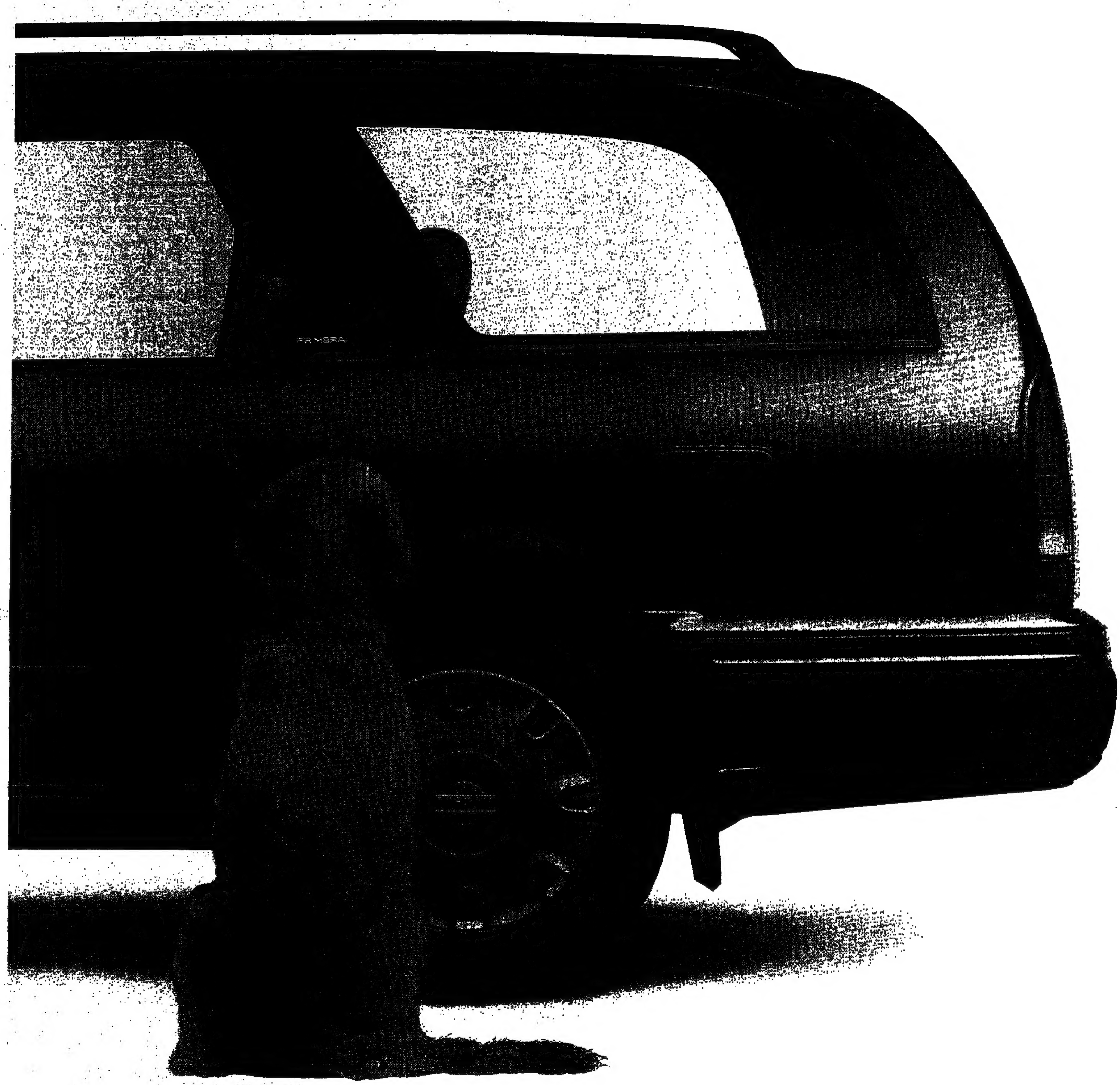


London–Florence direct, overlooking Pisa.

Other airlines just take you to Pisa. We let you see Pisa, but without leaving your seat. For details of our luxury service from Gatwick, as well as our new flights to Verona, ring your travel agent or call us on 071 839 2222.

Meridiana
Your Private Airline

When you're looking for a wagon, consult an expert.



In your search for a family car, you read car magazines. Ask all your neighbours questions. All your colleagues, too.

Perhaps you forgot to consult the expert that's by your side all the time. The one that always sits in the back.

Place him before a Primera Wagon. He'll just sit there, admiring the beautiful, smooth shape.

Until you open the hatch door. Watch how he easily slips through the wide tailgate. Notice him sniffing the carpet. (Don't worry, it's stain resistant).

Now get behind the powered steering wheel. Yes, you. Fire up the available 2.0-litre, 16-valve engine and soon your dog's tail will start wagging to and fro. Once on the road, even he'll have to strain to hear wind and road noise.

Open the electric windows, he'll stick his head out to check the windflow, no doubt. But don't test the ABS until he's safely inside. Now that everything has been checked, he'll stretch out in the back. Where thanks to a unique rear suspension, the floor is completely flat.

Pampered with all this comfort, he'll fall asleep. Consider it a sign of approval.

Model shown Station Wagon. Specifications may vary in every country.
The Nissan Primera is available in 4-door Sedan, 5-door Hatchback and Station Wagon models.

NISSAN

Primera Wagon.
The best friend of the family.

Europe blamed for indifferent progress on Round

Keating warns of Pacific trade bloc if Gatt fails

By William Keeling in Jakarta

MR Paul Keating, Australia's prime minister, warned yesterday that a Pacific trading group might emerge to counter European and North American blocs if Gatt's Uruguay Round trade talks fail.

Speaking on the second day of his official visit to Indonesia, Mr Keating blamed the "indifferent progress" of trade negotiations on "a lack of determination on the part of the Europeans to make the Gatt round succeed".

He characterised the EC as "very much a United States of Europe". In response to the EC and the development of the North American Free Trade Area (Nafta) grouping the US, Canada and Mexico, a third trade area in the Pacific might emerge, he warned.

A Pacific trade bloc would not be in the interests of Australia, Mr Keating said. To prevent its occurrence, he called on the US in particular to review its policy towards Asia.

"It is important that the US plays a role beyond its continental boundaries in trade in Asia," he said.

"The policy of the United States should be broader, deeper, wider than simply the strategic policy of the US defence department or the US navy".

Mr Keating and President Suharto (left) talk via an interpreter

Mr Keating suggested that the Asia Pacific Economic Co-operation group (Apec) should be used as a forum where "the two largest economies (the US and Japan) can resolve some of their differences".

Japan and the US are important trading partners for Australia, Mr Keating said, and "we don't want our (Australia's) loyalties tested between these two friendly countries".

Australia is likely to find resistance amongst some Asian countries to giving Apec an enhanced role, especially if it were to undermine existing trade groups such as the Association of South East Asian Nations (Asean).

Mr Ali Alatas, Indonesia's foreign minister, said his government saw "validity" in Mr Keating's proposal but wished "to mull it over some more...and see when the best time would be to initiate this idea".

Coca-Cola of Korea files soft drink suit

THE Korean subsidiary of Coca-Cola has filed a trademark infringement suit against Lotte Chilsung Beverage over its marketing of a soft drink similar to Coca-Cola's Sprite, John Burton reports from Seoul.

Korea Coca-Cola launched Sprite in February. Lotte introduced a similar beverage two weeks later under the brand name Sprint with a package design resembling the Sprite product. Lotte has rejected the suit as "groundless", claiming companies in the competitive Korean soft drink market often imitate each other's products.

Lotte said Sprint was the latest development in its soda pop series. But in an apparent response to the Coca-Cola suit, Lotte has recently changed the name of the controversial drink to Sprinter. Coca-Cola claims Sprite is outselling Sprinter. Coca-Cola has complained about Lotte's marketing. It introduced its Hi-C orange juice into the Korean market in 1982. Lotte then sold a similar drink known as Heil-7. Coca-Cola did not contest that case. A decision on Sprite is due this week.

Nissan bears brunt of cutbacks to US

By John Griffiths

NISSAN, Japan's second largest car maker, appears set to bear the brunt of the self-imposed "voluntary" cut in direct car exports to the US agreed last month by Japan's ministry of international trade and industry (Miti).

Nissan's import quota for this year will be reduced by at least 44 per cent to below 300,000, down from a quota of 532,276 and actual exports of 324,132, representing a 12 per cent drop, last year, according to Japanese motor industry sources quoted by Reuter.

The cut compares with an overall reduction of 28.2 per cent, to 1.65m from 2.3m vehicles, set as an informal imports ceiling by Miti in March because of growing trade friction with Washington. The practical effect overall will not be as great, because Japanese exports to the US have been falling steadily against the background of a depressed US new-car market.

Exports to the US from Japan last year are estimated at only 1.73m vehicles, against 1.85m in 1990. But Miti's lower ceiling has been derided by the US motor industry, with Ford chairman and chief executive Mr Harold Poling saying Japan has "learned nothing" about the need to balance its trade with the US.

Officially, Miti does not disclose any of the import ceilings for individual manufacturers. But according to Japanese motor industry insiders, Toyota's quota for this year will be just above 480,000, down 21.2 per cent from its 1991 quota and just 6 per cent in terms of actual 1991 exports of 510,489.

Honda's quota is under 320,000, down 24.5 per cent from its 1991 quota of 422,643 and 6 per cent from its actual exports of 339,959. Mitsubishi's quota will be above 150,000, down from a 1991 quota of 198,658 and actual exports of 165,284, and Mazda below 200,000, down from a quota of 226,116 and exports of 210,208 in 1991.

This year's quota for Fuji Heavy Industries, selling under the Subaru badge, will be above 70,000, down from a 1991 quota of 106,805 and actual exports of 51,158. For Isuzu, it will be above 100,000, down from a quota of 124,210 and up from actual exports of 93,100 last year. Suzuki's 1992 quota will be above 30,000, down from a quota of 64,552, and actual exports of 30,236. Daihatsu, with a quota last year of 20,000 cars, is pulling out of the US.

Fujitsu and Samsung in semiconductor pact

By Steven Butler in Tokyo

FUJITSU, the Japanese electronics company, yesterday said it had signed a semiconductor cross-licence agreement with Samsung, a leading South Korean electronics company.

It is the first broad cross-licensing agreement for semi-conductors between Japan and Korea to be publicly confirmed, and symbolises growing Japanese acceptance that the South Korean industry has come of age.

The two companies yesterday would not comment on details of the agreement.

A report in the Nihon Keizai Shimbun, the Japanese economic daily, said Samsung would pay Fujitsu about Y4bn (£17.4m) to compensate Fujitsu for use of its advanced technology.

The newspaper said the agreement would run for five years and would cover technologies which had been patented in Japan, the US, and in Europe.

The agreement is another step towards normalising business relations between the Japanese and South Korean semiconductor industries.

Other such agreements between Japanese and South Korean companies are likely.

The Japanese industry has been concerned about the impact of emerging South Korean producers on the market, and is an ironic mirror image of US industry concern over the expansion of the Japanese industry.

Samsung's sales of 4 megabit dynamic random access memory (DRAM) chips, in particular, have proved a headache for the Japanese industry since they have been priced below similar Japanese devices.

The worldwide semiconductor industry has been depressed, and manufacturers are losing money on the 4M DRAM chips.

The Fujitsu-Samsung agreement provides a legal framework for the companies to use each other's technologies and for payment of royalties.

At the same time, the pact will allow Fujitsu to protect its patent rights and earn a steady income.

US and Japanese semiconductor companies have recently begun co-operation on a range of development projects. The move comes partly in response to pressure from the US government.

60 Seconds.

A human being to inhale and exhale 7 litres of air.

An unborn baby boy's heart to beat 130 times.

An unborn baby girl's heart to beat 132 times.

A mechanical chicken plucker to pluck 12 chickens.

The amount of time it takes to create and format a sales forecast based on current market trends using Microsoft® Excel 4.0.
Microsoft® makes it easier.

Microsoft®

©1992 Microsoft Corporation.
All rights reserved. Microsoft and the Microsoft logo are registered trademarks and Windows is a trademark of the Microsoft Corporation. To find out more about Microsoft call 0734 270 000.

Dutch trade mission visits Vietnam today

THE NETHERLANDS deputy trade minister Yvonne van Rooy is due to arrive in Vietnam today as head of the first high-level Dutch trade mission to visit this south-east Asian nation, the government said yesterday, AP reports from The Hague.

Ms Van Rooy takes with her representatives from about 50 companies in the agricultural, construction, chemical and banking sectors, according to a ministry statement.

The delegation will travel to Hanoi and Ho Chi Minh City during the seven-day visit, the statement added.

"The aim of the mission is to intensify bilateral economic relations and strengthen the position of Dutch trade and investment companies in Vietnam," it went on.

The Netherlands and other western countries have shown growing interest recently in doing business in Vietnam as a consequence of Hanoi's free market reforms and indications that the US trade embargo will be lifted fairly soon.

In 1990, Vietnam, a nation of 64m people, relied on communist countries for 85 per cent of its imports.

The Dutch trade mission is being added on to the start of a visit to Indonesia, a former Dutch colony, scheduled to begin April 30.

Ms Van Rooy has appointments with the Vietnamese ministers for trade and tourism, transport and communications and agriculture.

A meeting is also planned with the chairmen of the state planning and investment committees.

NEWS IN BRIEF

Philip Morris buys into Czech cigarette maker

PHILIP Morris of the US has won a bid to buy into Czech cigarette manufacturer Tabak Kutna Hora, acquiring 30 per cent of the stock for $104.4m, (£58.9m), the Hospodarske Noviny (Economic News) daily reported yesterday, Reuter reports from Prague.

Czech deputy prime minister Mr Jan Strasky said the company would invest $140m in updating Kutna Hora's obsolete technology. The Czech government would retain 35 per cent of the stock, and 27 per cent would be distributed to the population under Czechoslovakia's scheme of coupon privatisation, the daily said.

This year, about $9bn of assets will be handed over to Czechs and Slovaks against government-issued coupons, making some 8.5m citizens shareholders in former communist state property. Consumption of cigarettes in Czechoslovakia, where 38 per cent of the population are regular smokers, has been steadily rising and is now at just over 2,000 cigarettes per capita a year.

Russia offers Korea nuclear skills

Russia has offered to sell South Korea advanced nuclear technology, including ways to extend the life of nuclear power plants, a leading Russian nuclear expert said yesterday, Reuter reports from Seoul.

"We can provide many advanced technologies for lower fees than the western countries," Mr Nikolai N. Ponomarev Stepnoi, president of the Russian Nuclear Society, said. Mr Stepnoi was in Seoul as a guest speaker at the seventh annual meeting of the Korea Atomic Industrial Forum and the Korea Nuclear Society. He also met South Korean officials, including Energy-Resources Minister Jin Nyum.

Mr Stepnoi said he had offered to sell technology or conduct joint research with South Korea on certain projects, including extension of the life of nuclear power plants, and that South Korean officials responded favourably. "We can expect to make substantial achievements before long," Mr Stepnoi said.

South Korea relies heavily on nuclear power, obtaining nearly 50 per cent of its electricity from nine nuclear power plants. Two more plants are being built and several more are to be added by the year 2000. No Russian technology has been used in any South Korean plants so far. Eight used US, and the other three, French and Canadian technology.

Kentucky Fried plan for China

Kentucky Fried Chicken of the US plans to open outlets in other Chinese cities following its success in Beijing and Shanghai, the official Xinhua News Agency reported yesterday, AP-DJ reports from Beijing.

The news comes the day before McDonald's of the US is to open its first restaurant in Beijing. McDonald's first China outlet began serving two years ago in the southern city of Shenzhen. Kentucky Fried Chicken opened its first China restaurant in Beijing in 1987 and quickly expanded to four in the capital. It also has two restaurants in Shanghai. A previous Chinese report said the company planned to have 10 outlets in Shanghai, China's most populous city.

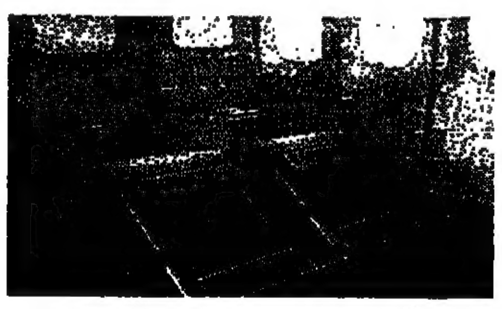
Mr Richard M. Detwiler, company spokesman, was quoted by the official Xinhua News Agency as saying the company plans outlets in other cities, but the report did not say where or when they would open.

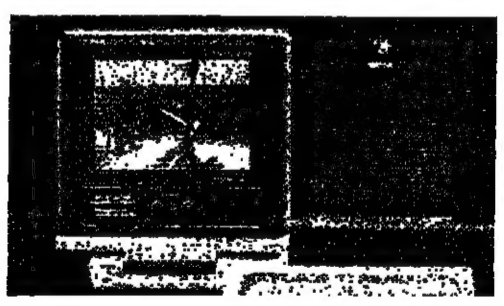
Japan trade minister to visit US

Japan's trade minister will visit the US and Canada from April 29 to May 5, his ministry said yesterday, AP-DJ reports from Tokyo. The trip by Mr Kozo Watanabe of the Ministry for International Trade and Industry (Miti), comes shortly after new talks in Washington and Tokyo on Gatt's Uruguay Round.

The new German way to fly: more enjoyment to shorten your long journey. Lufthansa.

Gabi Scheeler, 39





There's good news for all Lufthansa intercontinental First and Business Class passengers. Firstly, our Business Class cuisine has joined First Class as a member of the renowned Chaîne des Rôtisseurs gourmet club.
Secondly, on all our B747's, we've moved the First Class cabin to the "splendid isolation" of the roomy upper deck, so that our Business Class passengers can now also enjoy more space and a more personal service than ever before. Naturally with wider and more comfortable seats, integral footrests and tilt-tables. And, from this autumn, with your own personal in-seat video screen.
So fly Lufthansa intercontinental and discover what we mean by:
"simply that little bit more".

Lufthansa

LH 8/92

Insurance company expected to sign two-year lease on new building

London bomb forces CU move

By Richard Lapper and Vanessa Houlder

COMMERCIAL UNION, the insurance company whose London headquarters were badly damaged 10 days ago by an IRA bomb which killed three people, expects to move into the 67,000 sq ft Cutlers Exchange building which has been empty since it was finished nearly a year ago.

CU is expected to sign a two-year lease for 46,000 sq ft of the building in Cutlers Street on the eastern edge of the City, "within the next few working days", according to Mr Richard Owen, CU director.

The rent CU is likely to pay, close to the asking price of £27.50 a sq ft, reflects a halving of City rental prices over the past three years.

Greycoat, the building's developer, said the lease was in solicitors' hands and it hoped to complete the deal by the weekend.

Some 450 of the 650 staff displaced from the CU tower, working in branch offices in and around London, will move to the new premises.

Mr Owen, one of the executives supervising the company's response to the bomb, said CU would be unable to return for over a year to its head offices on 10 floors of the 23-storey CU tower, where most of the windows were blown out by the blast.

The combined effect of bomb damage and new lettings to displaced tenants is expected to reduce the availability of property in the City from 19.5 per cent to just under 18 per cent. The impact on the office vacancy rate is likely to fade over the summer as refurbishment work is completed.

Complacency among companies and workers about security in the City following the bomb was criticised yesterday, write Jimmy Burns and Betham Hutton.

Mr John Wyatt, a leading security expert, said: "Some companies feel they are faced with a situation they cannot understand, and are incapable of taking any measures that will help them."

Police said the scale of the damage caused by the bomb had made companies take the possibility of terrorist attack seriously, but employees had been less concerned.

City police said two meetings for company representatives in the last week had attracted 300 security and risk managers, while only three people attended a well-advertised police meeting on security for the public on tuesday.

As the city continued clearing up the debris, getting back to business appeared to take priority over tightening security.

At Commercial Union, computer equipment is being repaired and contractors are concentrating on making the building weatherproof. The company said it did not envisage extra security precautions.

Other companies which have moved into temporary offices such as Sanwa, the Japanese Bank said the main priority had been to ensure that dealing rooms could operate normally again. Sanwa's deputy managing director Mr Noboshi Kamei said: "It is impossible to prevent a bomb disaster from happening."

UK company reports criticised

By Andrew Jack

THE ANNUAL reports of British companies vary widely in their ability to communicate information, an analysis by Meridian Design Associates, a consultancy firm, has shown.

The typical report is 56 pages long, printed on A4 paper, contains a vacuous "vision statement", has five sub-standard photographs and takes 75 seconds to elicit financial and factual information of any value.

Allied Lyons, Tesco and Tate & Lyle rate highest among the the top UK quoted companies on a scale assessing the financial information, illustrations and lay-out of their 1990 or 1991 annual reports.

The survey contains valuable lessons on businesses hoping to improve the presentation of information provided to shareholders.

Meridian argues that annual reports have become "big business" in the 1980s, particularly as a result of the government's privatisation programme which have expanded share ownership sharply. It estimates that there were 25 million copies of annual reports produced last year.

It says reports should have two main tasks: to provide comprehensive and accurate information, and to convey a particular image of a company.

The firm concedes that annual report designers are often accused of preferring pictures to words and graphics to information content.

"Fundamentally unsound companies often employ fancy devices to distract attention from the unpalatable realities," it says.

As a result, it attempted to produce an objective index by which to judge annual reports, based on three criteria: financial information which can be quickly culled; clarity; and useful visual information. (See table above: "financials" shows number of seconds to extract five key pieces of financial data subtracted from 100: "visuals" is scored out of 20: "clarity" is scored out of 50)

Only a handful of companies, such as BET, included a question-and-answer interview with the chief executive while a similarly tiny proportion use recycled paper.

Privatisation appears to have had little impact on the quality of annual reports produced by the former nationalised enterprises. Water companies' reports suffered from "dull pictures, tedious text and no real signposting".

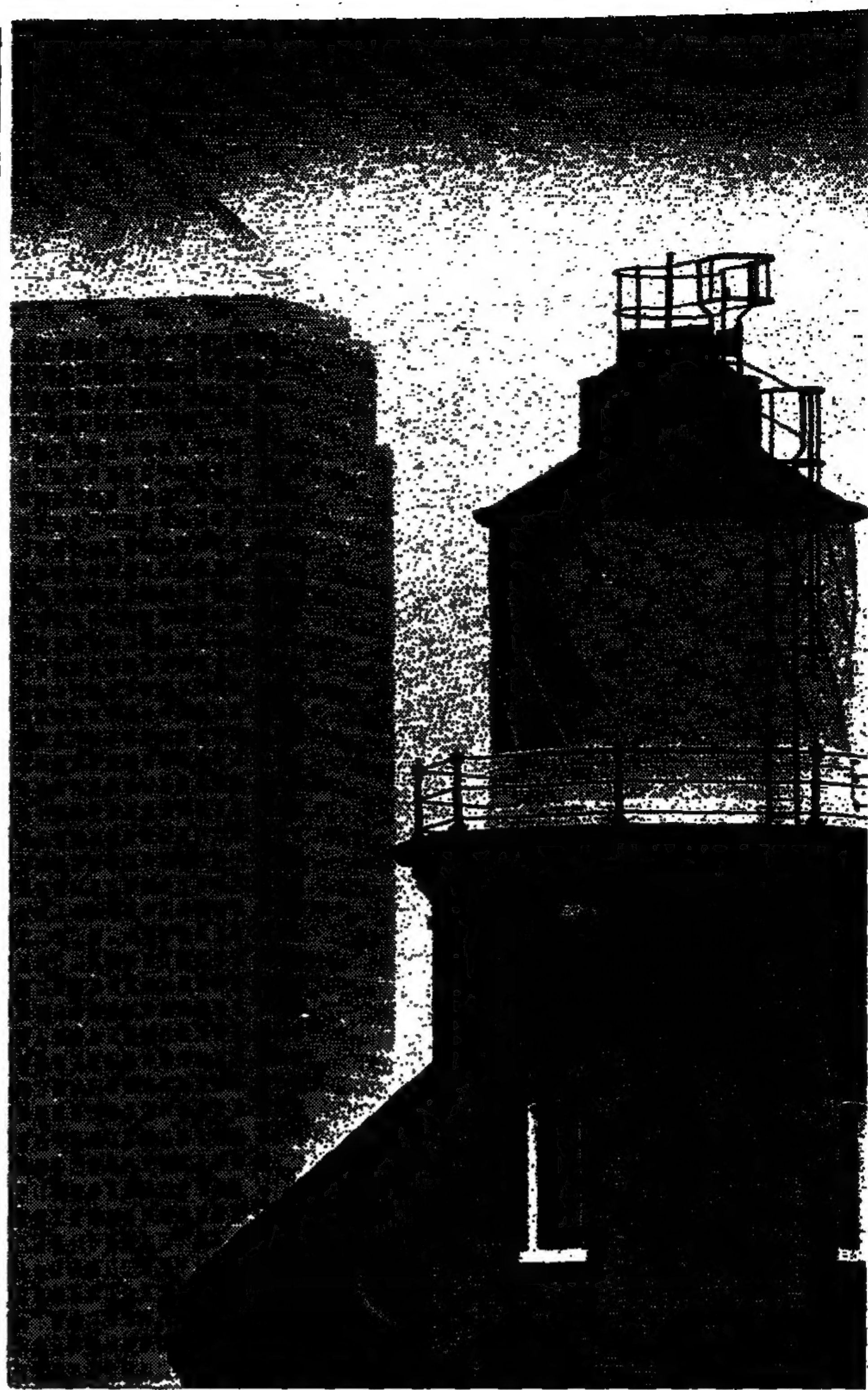
Some companies failed on rather more basic details. United Biscuits twice failed to meet Meridian's request for an annual report, sending an interim statement and a factbook instead.

One third mis-spelt the address, and more than half of the reports were sent in handwritten envelopes, imply that companies sent them out on a "fire and forget" basis with no attempt to stay in contact with the recipient.

The annual report report. Meridian Design Associates, 424 Kingston Rd, London SW20 8LL. £365

Top ten annual reports

Company		financials	visuals	clarity	total
1	Allied Lyons	50	15	30	95
2	Tesco	55	18	20	93
3	Tate & Lyle	50	20	20	90
4	Barclays	70	18	0	88
5	MEPC	45	20	20	85
6=	Hanson	45	18	20	83
6=	SmithKline Beecham	45	18	20	83
8=	BAA	55	7	20	82
8=	Glaxo Holdings	42	20	20	82
10	Sears	45	6	30	81



Photograph by Tony Andrews

City lights: Trinity Buoy Wharf lighthouse marks the mouth of the River Lea on the Thames at Blackwall, east London, more than 40 miles from the open sea.

The 19th Century landmark, dwarfed by docklands' Canary Wharf tower, is up for sale.

Listed as of architectural and historic interest, the 70ft building was used by Trinity House, the lighthouse authority, to train lighthouse keepers. Although 22 lighthouses around the British Isles are still operated manually, Trinity House has not needed to recruit any lighthouse keepers for some years.

The building is being sold by the London Docklands Development Corporation.

Companies cater for a different class of diet

By Diane Summers, Labour Staff

THE BRITISH obsession with class is reinforced daily by three out of 10 companies with canteens maintaining separate eating facilities for workers and bosses, according to a survey published today.

The "multi-status dining operation", as it is called in the catering trade, continues to provide several gradations of service: traditional canteen fare in basic surroundings for manual workers, staff restaurants for office staff and dining rooms for the high-ups.

The notion is quintessentially British, says trade journal Caterer and Hotelkeeper which, together with Touche Ross, the management consultants, commissioned the study. The survey examined staff catering policies of 200 of the largest companies in the UK and talked to 2,000 employees.

In most Japanese or American companies, all employees eat in one dining room, the study says. "As well as being more expensive, multi-status is frowned upon by management philosophies as being at the root of the 'them and us' syndrome."

As for the food itself, the survey reveals the continuing attachment to the chip across all eating classes, with four-fifths of employees saying chips should remain on the menu.

Most employers still expect to subsidise staff catering or at least break even, although 16 per cent make a profit out of the operation. There is little sign, according to the survey, that companies are cutting down on catering because of the recession.

The study concludes: "Perhaps the reasons for the survival of staff restaurants virtually intact is that parent companies want to maintain workforce morale during periods of redundancies or other severe money-saving schemes. Many firms take the view it is better to keep those unaffected by redundancies sweet and maintain their subsidised employee feeding package."

PHILIPS HELPS THE STARS SHINE

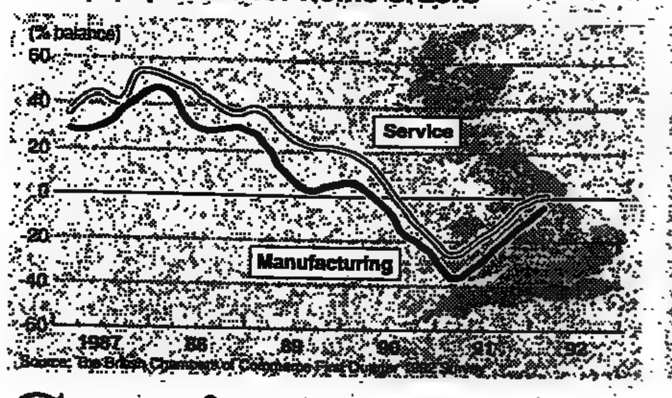
WITH SOUND, VISION AND LIGHTING AT EURO DISNEY

PHILIPS

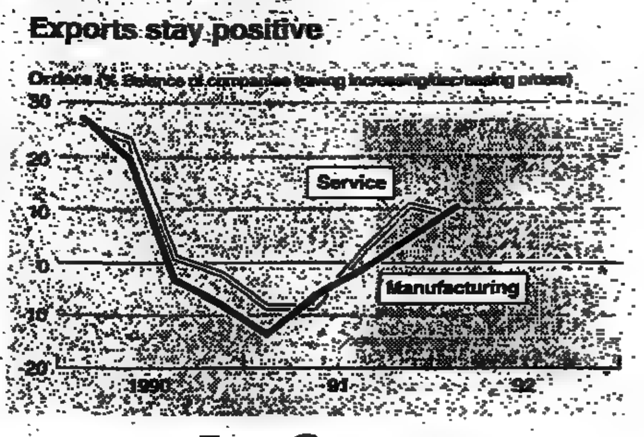
NEWS: UK

Signs that the recession may be nearly over

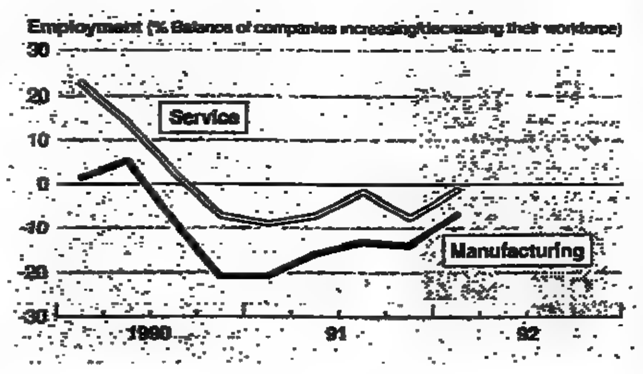
Trend improves for home orders



Exports stay positive



Companies expect unemployment to slow



Service sector growth forecast

By Emma Tucker

EARLY SIGNS of recovery heralded by the British Chambers of Commerce yesterday were mainly confined to the performance of UK service industries.

That sector, which went into recession later than manufacturing and suffered a shallower decline in output, resumed growth for the first time since mid-1990 in the first quarter of the year.

Manufacturing outlook remained gloomy: firms saw orders fall for the eighth consecutive quarter albeit at a slower rate. The BCC was confident that the manufacturing industries would soon follow the service sector out of recession. "As manufacturing accounts for around a quarter of GDP it is clear that recession, as measured by orders in the UK is almost over."

According to the survey of 8,810 companies, slightly more than half of which were service providers, domestic demand for services was beginning to pick up after a year and a half of contraction.

The BCC said growth was almost entirely due to a remarkably strong performance by small companies, while service providers with more than 20 employees were still suffering a decline in orders. "This suggests that the more nimble small companies are better able to take the initiative," said Mr Richard Brown, director of policy.

Low levels of investment remained a problem for both sectors, where investment plans continued to be revised downwards.

Lower interest rates remained the factor most likely to improve company prospects in both sectors, with four out of five manufacturers and more than one third of service providers saying interest rates were their biggest concern.

The number of manufacturing companies working to full capacity fell to its worse level ever with just 19 per cent of the companies surveyed operating at full capacity.

Employment continued to fall at a rapid rate. Nationally, a balance of more than a quarter of large manufacturers and more than a fifth of services sector employers expected to reduce their workforces. Recruitment remained low.

Regions reveal weak spots in bright outlook

THE GENERALLY healthy outlook of the national economy looks less encouraging alongside a breakdown of the regions where some worrying signs of weakness cast doubt on the sustainability of growth, writes Emma Tucker.

Growth in domestic manufacturing in the north-east – the region leading the country out of recession with the strongest growth rate – faltered in the first quarter of this year.

A similar slowdown in East Anglia prompted the BCC to question the sustainability of growth in some areas.

Merseyside's economy was the weakest of all the regions. The BCC said the area's economy seemed to be "swinging back and forward".

London saw an encouraging turnaround in manufacturing in both the domestic and export markets at the start of the year.

Prospects for employment were most buoyant in Ulster and the north-east while across the rest of the country the pattern was little changed. Generally, the east coast of Britain performed better than the rest of the country.

Nucor fans flicker of new hope for Ravenscraig

Martin Dickson on 'mini-mills' and the possible expansion of thin slab casting from the US to Europe

A FLICKER of hope of saving the doomed Ravenscraig steelworks ran through Scotland this week at the news that a team from Nucor, arguably the most successful US steel company of the past two decades, has been casting an eye over the complex.

Nucor, which has pioneered the use of a cost-effective new steel-making technology called thin slab casting, is one of the lowest cost manufacturers of steel anywhere in the world. It is leader of the US "mini-mills" – producers which have undercut the large, integrated steel manufacturers in many markets through the use of scrap metal and electric arc furnace technology.

But while its trip to Scotland demonstrates the North Carolina-based company's interest in international expansion, the chances of a deal to save Ravenscraig seem slim.

Mr Ken Iverson, chairman of Nucor, said that if Nucor did decide such a project was feasible, it would want to find some other partner to take a majority stake in the business. Nucor would have a minority role, although it would be substantially involved in both training and technology transfer.

Much of the drive behind the Nucor visit appears to have come from Mr Jeremy Bray, Labour MP for the Ravenscraig area and a steel expert, after he toured Nucor's revolutionary thin slab mill in Crawfordsville, Indiana and wondered whether its technology could be imported to Scotland.

Mr Iverson denies that the visit is part of any grand European strategy by Nucor. "We generally don't have a grand strategy," he says.

Industry analysts say the company has been looking at ways of expanding outside the US. But Mr Christopher Plummer of Wefa, a Philadelphia-based forecasting group, says the Asia-Pacific area is probably top of their list.

Thin slab casting involves casting molten steel into slabs just two inches thick, using a new type of tunnel mould invented by the German company SMS Schloemann-Siemag.

The process is much quicker and less capital intensive than the traditional steel-making technique. However, at present, steel made using the new process is more suitable for the lower-grade end of the sheet market, and not more demanding areas such as car body panels. Wefa's Mr Plummer estimates that Nucor's costs of steel-making using their technique are up to $100m lower than those of the integrated US manufacturers.

The technique is starting to be introduced to Europe: An Italian mini-mill group opened the continent's first thin-slab mill last year and Dutch and German companies are considering following suit. But construction of a facility at Ravenscraig would face some big hurdles:

- Opposition from British Steel, which is hardly likely to relish competition from a low-cost rival in its own backyard.
- Problems in finding suitable investors in a new facility.
- The capital costs of a new plant. Thin slab technology may be cheaper but the sums of money involved are still large for a cash-strapped industry like steel. The Crawfordsville plant, which is now producing about 1m tons a year, cost some $270m in the late 1980s.
- Energy and raw materials costs. For the thin slab process to work most cost-effectively, it needs to be fed with relatively inexpensive supplies of molten metal. That in turn is a function of local electricity costs and the price and availability of scrap metal.

If scrap were not readily available for Ravenscraig, Nucor might be able to get raw material using the new method of direct reduced iron, which eliminates the need for costly blast furnaces, although this would push up the capital costs and would be extremely sensitive to the price of gas.

All this adds up to an extremely complex set of financial and political hurdles. Unless the Nucor team decides straight away that the project is not feasible, it will take quite some time, and much intricate negotiating, for Ravenscraig to discover whether there might yet be life after death.

Britain in brief

Population debate vital says Prince

Some delegations to the forthcoming Earth Summit are blocking discussion on the need to reduce world population growth, Prince Charles said in London.

He did not name the delegations which he said were determined to prevent discussion of the issue. But it is understood they include the Vatican, Latin American countries and the Philippines. The UK strongly favours having the population issue on the agenda of the summit, to be held in Rio de Janeiro in June.

The Prince warned that environmental improvement and alleviation of third world poverty would be jeopardised by the predicted doubling of the world's population to 10bn by the year 2050.

US pollution affects Lloyd's

Uncertainties over the size of insurance claims from pollution in the United States has prevented one of the biggest syndicates at the Lloyd's of London insurance market from closing its accounts for the 1989 underwriting year.

Syndicate 190, managed by the Cater Allen agency, is one of a number of Lloyd's syndicates which will leave their 1989 account open.

Its losses amount to £25.2m compared with stamp capacity (the syndicate's capital base) of £157.4m. Last month syndicate 932, managed by Janson, Green, opted to leave its 1989 accounts open on similar grounds.

Lloyd's is expecting to post losses in excess of £1.35bn for the 1989 year when it reports in June. Insurers at Lloyd's could have to pay insurance claims of many billion dollars, incurred as a result of federally and state-ordered clean-ups of polluted sites.

Venture funds down 17%

THE UK venture capital industry invested 17 per cent less money around the world last year in what it said was "the most hostile environment for investment in unquoted companies for many years".

Venture capitalists spent £1.15bn last year on 1,386 companies, a decline of 11 per cent on the number of company investments in 1990, according to the annual report of the British Venture Capital Association.

The industry put 86 per cent of its money into British companies compared with just 79 per cent in 1990, and halved funds going to continental Europe to 8 per cent.

Referendum ruled out

Mr Ian Lang, Scottish Secretary, attacked people who were campaigning for a referendum on Scotland's political future, saying they were "scurrying around like headless chickens, seeking a re-run of the general election in the hope of getting a different result." He said he could see no circumstances that would persuade the government to stage a referendum on Scotland's constitutional future, although he was prepared to talk to anyone who was committed to improving Scotland's government operated within the union of the United Kingdom.

Accountants' salaries up

Accountants' salaries rose sharply over the last year in spite of the recession, a survey by Hays Management Consultants showed.

Average base salaries across the UK for the profession rose by 10.3 per cent in the 12 months to February 1 this year, down slightly from an increase of 11.1 per cent in the previous year.

The average base salary for a first-year accountancy trainee in early 1992 was £14,567. For a newly-qualified accountant it was £21,226, for someone four to five years after qualifying £27,627 and £43,836 for someone after nine to 12 years.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re
THE DREXEL BURNHAM LAMBERT GROUP INC., ET AL.,
Debtors.

Chapter 11 Case No.
90 B 10421 (FGC)

NOTICE OF ENTRY OF BAR ORDER FIXING LAST DAY TO FILE CERTAIN PROOFS OF CLAIM ON ACCOUNT OF CUSTOMER CLAIMS AGAINST DREXEL BURNHAM LAMBERT INCORPORATED AND/OR DREXEL BURNHAM LAMBERT GOVERNMENT SECURITIES INC.

TO ALL FORMER CUSTOMERS OF DREXEL BURNHAM LAMBERT INCORPORATED AND DREXEL BURNHAM LAMBERT GOVERNMENT SECURITIES INC.:

PLEASE TAKE NOTICE that the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") has entered an order dated April 9, 1992 (the "Customer Claims Bar Date Order") requiring all persons and entities, including individuals, partnerships, corporations, estates, trusts and governmental units, EXCEPT THOSE PERSONS AND ENTITIES DESCRIBED IN PARAGRAPHS A AND B BELOW, that assert any Customer Claim(s) (as defined below) against Drexel Burnham Lambert Incorporated ("DBL Inc.") or Drexel Burnham Lambert Government Securities Inc. ("GSI," and collectively with DBL Inc., the "Debtors"), which arose on or prior to their respective chapter 11 petition dates, to file a written proof of such Customer Claim(s) ("Proof of Claim") by mailing the same to the appropriate Debtor, c/o The United States Bankruptcy Court for the Southern District of New York, P.O. Box 64, Bowling Green Station, New York, New York 10274, or by delivering the same by hand or courier delivery (but not by United States mail) to the Clerk, United States Bankruptcy Court, Room 614, Alexander Hamilton Custom House, One Bowling Green, New York, N.Y. 10004, SO THAT IT IS ACTUALLY RECEIVED ON OR BEFORE AUGUST 24, 1992 (the "Customer Claims Bar Date"). Such Proofs of Claim will be deemed filed only when actually received.

PLEASE TAKE FURTHER NOTICE that the term "Customer Claim," as used herein, means any (a) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (b) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured, against either or both of the Debtors with respect to those funds and securities that the Debtors hold or may receive for the account of their former customers which would constitute "customer name securities" or "customer property" under section 741 of the Bankruptcy Code and which have been segregated by the Debtors from the other assets of their respective estates (the "Segregated Property"). The Segregated Property generally consists of securities, dividends, interest payments and uncashed checks relating to proceeds of sales of securities, dividends, or interest payments, which, in each case, were or should have been credited to a Customer's account(s).

PLEASE TAKE FURTHER NOTICE that the meaning of the term "Customer" is governed by section 741(2) of the Bankruptcy Code. It is limited to persons who have claims against or to the Segregated Property and includes any person who has a claim on account of securities received, acquired or held by the Debtors in the ordinary course of their businesses as broker-dealers. This includes any person or entity who has a claim against the Debtors for securities or monies with respect to dividends or for bond interest where the person or entity did not maintain a customer account with the Debtors. The term "Customer" includes any person or entity who has a claim against the Debtors arising out of sales or conversions of such securities, and any person or entity who has deposited cash with the Debtors for the purpose of purchasing securities, but does not include:

(a) any person or entity to the extent that the claim of such person or entity arises out of transactions with a foreign subsidiary of the Debtors; or

(b) any person or entity to the extent that such person has a claim for cash or securities which by contract, agreement, or understanding, or by operation of law, is part of the capital of the Debtors, or is subordinated to the claims of any or all creditors of the Debtors. The provisions of the Bankruptcy Code shall control if there is any inconsistency or difference between the foregoing and the definition of "Customer" as set forth in the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that if you are required to file a Proof of Claim and fail to do so in the manner prescribed, you will be forever barred from receiving any distribution on account of such Customer Claims under the Debtors' plan of reorganization, and will be forever barred from asserting any such Customer Claim against the Debtors or their successors or assigns, EXCEPT THAT:

A. ANY PERSON OR ENTITY THAT HAS ALREADY FILED A CUSTOMER CLAIM AGAINST THE DEBTORS WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK NEED NOT FILE A DUPLICATE PROOF OF CLAIM.

B. ANY PERSON OR ENTITY WHOSE CLAIM IS ALLOWED BY AN ORDER OF THE BANKRUPTCY COURT ENTERED ON OR BEFORE THE CUSTOMER CLAIMS BAR DATE NEED NOT FILE A PROOF OF CLAIM.

PLEASE TAKE FURTHER NOTICE THAT ALL PERSONS AND ENTITIES OTHER THAN THOSE DESCRIBED IN PARAGRAPHS A AND B ABOVE MUST FILE A PROOF OF CLAIM ON OR BEFORE THE AUGUST 24, 1992 CUSTOMER CLAIMS BAR DATE IN THE ENGLISH LANGUAGE AND ANY AMOUNTS CLAIMED THEREIN MUST BE CONVERTED TO UNITED STATES DOLLARS AS OF THE DEBTORS' RESPECTIVE PETITION DATES. OTHERWISE THE HOLDERS OF SUCH CUSTOMER CLAIMS SHALL BE FOREVER BARRED FROM RECEIVING ANY DISTRIBUTION OF CASH OR PROPERTY UNDER THE DEBTORS' PLAN OF REORGANIZATION, OR FROM ANY SUCCESSORS IN INTEREST TO THE DEBTORS.

PLEASE TAKE FURTHER NOTICE that proofs of Customer Claims against either or both of the Debtors shall conform substantially to Official Bankruptcy Form No. 10 or the claim forms annexed to the Motion as Exhibit G, and must be filed by either: (a) delivering the same by hand or courier delivery (but not by United States mail) to:

Clerk, United States Bankruptcy Court
Room 614
Alexander Hamilton Custom House
One Bowling Green
New York, N.Y. 10004

or (b) by mailing the same to the appropriate Debtor at:

Drexel Burnham Lambert Incorporated and/or
Drexel Burnham Lambert Government Securities Inc.
c/o The United States Bankruptcy Court
for the Southern District of New York
P.O. Box 64
Bowling Green Station
New York, N.Y. 10274

so that it is RECEIVED on or before the August 24, 1992 Customer Claims Bar Date.

PLEASE TAKE FURTHER NOTICE that Proof of Claim forms for the filing of Customer Claims are being mailed to certain former Customers of the Debtors as their names and addresses are listed in the Debtors' books and records. Former Customers who do not receive such forms and who believe that they have Customer Claims against or to the Segregated Property may obtain such forms by writing to one or both of the Debtors at the following address:

Drexel Burnham Lambert Incorporated and/or
Drexel Burnham Lambert Government Securities Inc.
60 Broad Street
New York, New York 10004-2367
Attn: Customer Service Dept. – 15th Floor

PLEASE TAKE FURTHER NOTICE that in the event you have questions concerning the completion, filing or processing or your Proof of Claim, you may telephone Paul Merolla, Esq., General Counsel for the Debtors, at (212) 232-3847 between the hours of 9:00 a.m. to 5:00 p.m. Eastern Daylight Savings Time for assistance.

Dated: New York, New York
April 20, 1992

BY ORDER OF THE COURT

HONORABLE FRANCIS G. CONRAD
UNITED STATES BANKRUPTCY JUDGE
UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
Alexander Hamilton Custom House
One Bowling Green
New York, New York 10004

WEIL, GOTSHAL & MANGES
Attorneys for Drexel Burnham Lambert Incorporated and
Drexel Burnham Lambert Government Securities Inc.
Debtors in Possession
767 Fifth Avenue
New York, New York 10153
(212) 310 8000

Welcome to the world's greatest ecological events in 92.

CONGRESSES/ ENVIRONMENTAL EVENTS IN FIRST HALF OF 1992	THEME	PERIOD	CITY
"GREEN PRESS" International Conference of Journalists on Environment and Development	Stimulate consideration of the media's role in defense of the environment in the context of economic and social development.	From May 20 to 24	Belo Horizonte
ICC - International Chamber of Commerce - Industry Forum on Environment and Development	Exhibitions by leading international industrial organizations, featuring the latest technologies used and future challenges.	From May 27 to 29	Rio de Janeiro
World Forum Cities	Will bring together delegates to discuss and exchange experiences concerning the urban question, which should culminate with a document establishing the position of the cities in relation to the Rio Conference.	From May 28 to 29	Curitiba
International Symposium on Environmental Technologies	Facilitate discussion, publication and exhibition of results of international and Brazilian research on the environment.	From May 28 to June 6	Rio de Janeiro
United Nations Conference on Environment and Development "UNCED" - "The Earth Summit"	Aims at examining interconnected problems of the environment and development, including a concentrated attack on poverty, especially in the 21st century.	From June 1 to 12	Rio de Janeiro
THE '92 GLOBAL FORUM	A series of simultaneous events which provide an opportunity for all sectors to express their independent views at the time of the EARTH SUMMIT.	From June 1 to 12	Rio de Janeiro
"ECOBRASIL 92" International Exhibition of Environmental Technology	Exhibitions featuring the international and Brazilian technologies available for protection of the environment and their application in economic and social development.	From June 6 to 13	São Paulo

EARTH SUMMIT '92
UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT
BRAZIL 92

PEACOCK BUTTERFLY

Come to the world's most important ecological meetings, flying the airline which knows Brazil best.

Only VARIG has 134 flights weekly from almost all over the world to 8 different gateways in Brazil.

You'll enjoy our internationally renowned inflight service on modern, comfortable aircraft.

Book with VARIG to Brazil and be sure to participate in the events that will shape the future of our planet. You'll not only be giving Nature a hand, you'll be doing yourself a favor as well.

Time to fly VARIG

Spotlight on flash memory

With the launch today of a new generation of "flash memory" chip products, Intel, the leading US semiconductor manufacturer, has delivered the first serious challenge to the role of the magnetic disc drive as the standard data storage medium for personal computers.

Flash memory retains stored information even when the power is turned off. It can be rapidly erased and rewritten, hence the name "flash".

After five years of development efforts, Intel has come up with a flash chip that rivals the data storage capacity of a computer "hard drive" at a comparable cost.

The new 8 Mbit flash memory chip quadruples the data storage capacity of flash memory chips introduced just 16 months ago. Twenty of the chips, packaged in a "memory card" not much bigger than a credit card, provide a 20 Mbyte storage device that is much smaller, lighter, more rugged and faster than a disc drive.

The flash memory card also consumes far less power, thus promising to extend the battery life of portable computers. The 20 Mbyte card will sell for $600, less than half the introductory price of Intel's 4 Mbyte flash card in 1990.

In conjunction with the Intel announcement, Microsoft, the leading personal computer software company, will announce an extension to its Dos operating system to work with the new memory cards.

Intel expects to sell 500,000 to 700,000 of the 8 M bit flash memory chips this year and claims to have more than 20 customers lined up, including some of the largest US and Japanese portable personal computer manufacturers.

The market for flash memory chips is projected to grow from approximately $130m today to nearly $1.5bn by 1995, according to Dataquest, the US market researchers.

Intel currently holds an estimated 85 per cent share of the flash memory market. Products incorporating the new flash memory cards, ranging from hand-held "pen computers" costing less than $1,000, to lightweight two-pound notebook computers priced at around $1,500, are expected from several computer manufacturers later this year.

Louise Kehoe

Making tracks

Andrew Baxter explains how ancient and modern techniques are used to build military tanks

In the past few weeks, workers at the Vickers Defence Systems tank factory at Newcastle have had to walk round a large hole that has opened up in the middle of the shopfloor.

The hole might suggest that Vickers has started test firing its tank guns indoors, but there is a more innocent explanation. It is to provide foundations for a new £500,000 computer-controlled machining centre being supplied by Halifax-based Butler Newall.

The machine will replace three 30-year-old Giddings & Lewis horizontal boring machines, and will do all their machining work on the tank hulls in one setting.

For Bill McGawley, divisional operations director, the new machine is an investment in new technology that is worth making because of the time saved and the contribution to increased competitiveness.

A walk through the 543m-long plant – armoured plate in at one end, completed tank out from the other end – is a history lesson in the machine tool industry. Names long gone, such as Kendall & Gent of the UK, rub shoulders with the Mori Seikis of the modern era.

In between are venerable machines that have been given a new lease of life. Vickers spent £90,000 last year restoring a 600-ton press, made in Birmingham in 1936 and used for straightening thick plate after welding.

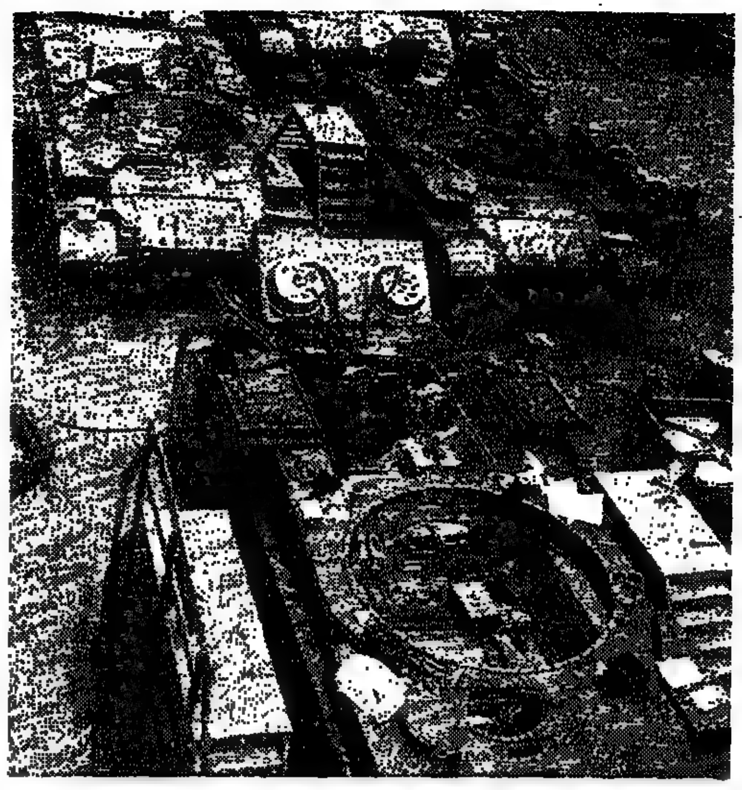
McGawley is keen to dispel the impression that the British Army's 140 new Challenger tanks, to be built at Newcastle and its sister plant in Leeds, will be the products of old-fashioned manufacturing technology.

But the mixture of old and new is deliberate, and intended to answer the challenge of manufacturing tanks competitively, and profitably, in the modern era. Vickers is the only company in the world to have been continuously producing tanks since they were introduced in 1916, and wants to remain so.

The critical manufacturing issue, for a low-volume product in a market where margins have fallen and competition is now more open and international, is reducing break-even to a minimum.

Expenditure on new machine tools is an important part of the equation. Buying elegant machinery that shaves a few seconds or minutes off machining times may make sense for a high-volume manufacturer, says McGawley, as the cost of the machine can be spread over thousands of products.

In tank production, with many large pieces requiring long set-up times for machining, a few minutes saved while the metal is cut may not be that critical. And highly specialised machinery could reduce flexibility when the production line switches to a new model.



The Challenger production line at Vickers' Newcastle factory

For McGawley, therefore, the key question is not "How much time can we save?" but "How much money can we make over time by making that part?"

This approach to manufacturing lies behind the transformation in Vickers' tank production business over the past decade. Ancient, sprawling manufacturing plants with long chains of command and five different levels of dining room have been swept away, first at Newcastle in 1983 and then in Leeds three years later.

The company now has two identical plants, each of which can produce a complete tank – allowing for the fact that 60 per cent of each tank's content is sourced externally.

The strategy, masterminded by Gerry Boxall, Vickers Defence Systems chairman and chief executive, flies in the face of modern manufacturing convention, which calls for the elimination of duplication and concentration of different stages of manufacturing in separate plants.

But Vickers does not want to go down this route, says McGawley. Strategically, it would make the company vulnerable to the consequences of "upsizing and downsizing" of order flows, and competition between the two plants can be constructive and beneficial if properly controlled.

The result of the upheavals at the company, and its innovative approach to manufacturing technology, is that each factory can break even on two to three tanks a month, yet can expand to ten a month simply by adding shifts.

The wisdom of McGawley's approach to manufacturing options is illustrated by some of its recent experiences with new equipment.

On the one hand, it has had no trouble assimilating some of the new techniques in manufacturing developed for high-volume production such as car manufacturing. It has bought CNC lathes and a CAD system virtually off the shelf.

But a recent episode with robotics was another story. With financial backing from the UK government, McGawley bought a robot to weld turrets which Vickers makes for armoured fighting vehicles.

The robot had no trouble welding armoured plate, despite certain metallurgical challenges, in half the time that a human welder would require. The problem was integrating the robot and its software to ensure that the welding torch moved to the right place. Along with difficulties setting up large castings for the robot to work on, this made it difficult to achieve the repeatability which is normally one of the main benefits of robotics.

Three years after purchasing the robot, and after spending about £1m, McGawley says it is now performing well and he looks forward to extending the use of robots. But manual craft skills will still be required for welding in difficult positions and, as with other parts of the manufacturing process, old and new will complement each other.

Much of the £1m investment in manufacturing equipment at Newcastle over the past year is linked to preparation for fulfilling the £500m Challenger 2 order.

Building tanks is a lengthy affair, but the philosophy at Vickers, which has brought design and manufacturing teams closer together physically and metaphorically, has had a profound impact on product development times.

The first CRARVV (Challenger armoured repair and recovery vehicle) rolled off the production line in autumn 1990, five years after Vickers began concept work, and went straight to the Gulf. Formerly, says McGawley, the project would have taken eight to nine years.

Management schools would no doubt applaud Vickers' new co-ordinated approach to tank manufacture as a classic example of the teamwork element in simultaneous or concurrent engineering. McGawley will have none of that, preferring instead to call it "sheer bloody common sense".

"My wife in the kitchen doesn't have the kettle on one table, the tea on another and the sugar in a different room. They are all in reach," he says. "Why should that have a special title in engineering?"

Iranians build their own software house

By Colin Barraclough

The Islamic Republic of Iran is hardly the most natural setting for cutting-edge computer software development. But if your language is rarely spoken beyond native shores and the US has refused to trade openly with you for a decade, you have little choice but to do the work yourself.

Pajoohesh, a systems design company in Teheran, has developed a comprehensive Persian language environment to support any well-known word processing or accounting package.

Four years' development has produced an impressive array of tools, from an English-Persian dictionary with a choice of 20 different technical vocabularies, to accounting and graphics programs. Each package comes with a one-touch switch from English to Persian script and back.

While Iran's software industry is still embryonic, prospects for expansion look good. Iran's private sector is overcoming its initial reluctance to computerise and is showing interest in the new software. "It's a very young market but it has been growing steadily," said Kaveh Salehi, technical manager at the Teheran Computer Centre.

By adding a Persian translation with an authentic mullah's lilt, the user can choose a chapter and verse from any of the full 48 hours

Five main operators compete in a country-wide market estimated at Rials 10bn (£4m). Ebrahim Kojouri, of Pajoohesh, predicts the size of the market will quadruple during this coming Iranian year (March 1992-March 1993). "We have so many orders that we may not be able to fill them all," he said.

Prices of Pajoohesh's products range from Rials 80,000 (£32) for the dictionary to a full English-Persian office organiser at Rials 250,000.

But the company's proudest achievement is a CD-Rom containing the entire Koran in sight and sound. Using an IBM scanner and voice card, which the company also sells, Pajoohesh has linked a taped rendition of the Koran sung in Arabic with a full-colour graphic of the decorated text. By adding a Persian translation with an authentic mullah's lilt, the user can choose a chapter and verse from any part of the full 48 hours.

The company has also incorporated the voice card into its dictionary package. Designed for Iranians doing business overseas, it will pronounce (with an American accent) a word typed in English and give a full definition in Persian. A facility is also available for word processing packages which offers a Persian definition for any highlighted word.

The fledgling industry has so far been plagued by pirates. Iran has no copyright laws and many packages are copied and distributed without licence within a purchasing company.

Illicit operators also copy unprotected software, undercutting the developers' costs and selling cheaply to the end-user.

Some companies have suggested a copyright law to the government but few believe it could be effectively enforced.

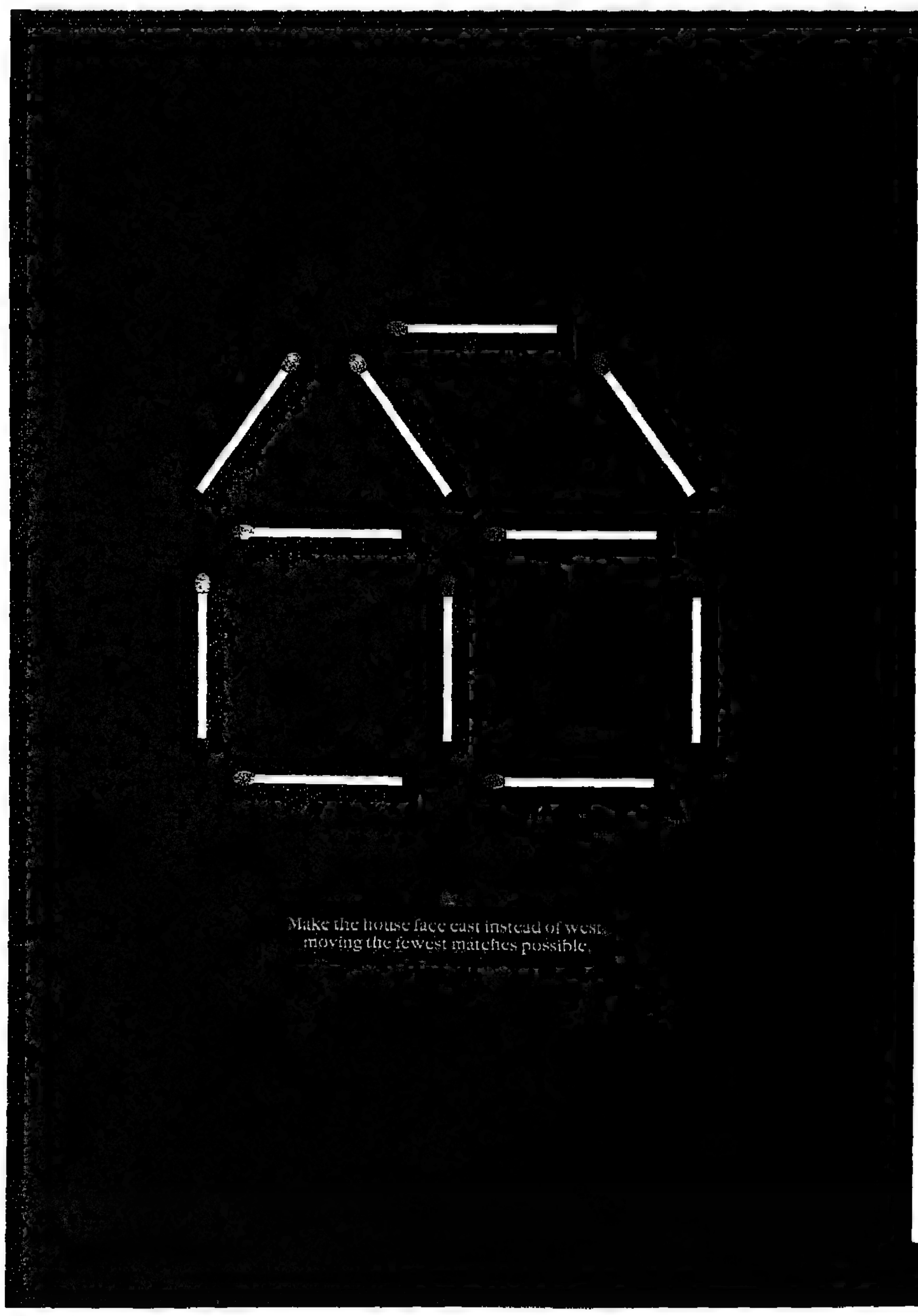
At the moment the computer culture is almost non-existent in Iran. Imported hardware is prohibitively expensive for private individuals, though lucrative for importers who can exploit a healthy free market rate for the Rial. The country's private sector is still experimenting with computerisation and the biggest buyer by far is the Iranian government.

But Teheran-based Maskan Bank recently invested Rials 7m in Persian software and other banks are likely to follow suit. Many young Iranians are exposed to computers at university and most emerge computer literate. As they take jobs in Iranian companies, they are expected to demand modern computer facilities.

Most software researchers receive initial instruction abroad or at Teheran's Institute of Technology but their research techniques are self-taught. While Pajoohesh's research has been innovative, future development will be slow without the resources of a foreign backer.

To complement its Persian-English software, the company is planning a CD-format introduction to Iran aimed at foreign businessmen, combining 10,000 photographs with a spoken commentary.

Pajoohesh and other Iranian computer companies are on show until April 26 at the second Electricity, Electronics, Computer and Communications Fair in Teheran.



Five years from now, will you be able to change your communications architecture as easily?

Despite what some companies may tell you, the future direction of communications technology is practically impossible to predict. But whether you're a telephone company or its customer, you have to make choices now. Stand alone or networked? Public or private? Wired or wireless? With so much uncertainty, how can you ever plan ahead?

Frankly, it's difficult. You have to be sure your supplier can offer you a range of solutions. Hopefully, they'll be solutions that will work for a long time, so you won't have to take a chance on somebody's unproven idea of what you'll be needing one day.

At AT&T, we don't claim to know exactly what your future requirements will be. Nobody knows that. But we have the track record to ensure that you'll be as safe as you can be. Our AT&T Bell Laboratories, for example, has invented or been a leader in virtually every mainstream trend in communications technology of the past hundred years, including fibre optics, wireless switching, and the UNIX® operating system.

This provides a pretty fair indication that our innovations today will become standard solutions in coming years, for telephone companies and their customers alike – whatever direction the future takes.

AT&T

© 1992 AT&T. UNIX is a registered trademark of UNIX System Laboratories, Inc. in the U.S. and other countries.

MANAGEMENT: MARKETING AND ADVERTISING

Culture shock for the Mickey Mouse outfit

Michael Skapinker finds the lights off at Euro Disney

Despite a barrage of publicity which is unlikely to be matched when astronauts set foot on Mars, Euro Disney, Europe's biggest leisure park, has had a rocky start.

Attempts to impress financial analysts and journalists in the days leading up to the opening earlier this month were bedevilled by technical failures and long queues.

When it became clear that I would barely hear Jose Carreras and see no more than his right ear, I decided to watch the gala opening of Euro Disney on the television set in my hotel room rather than as one of 15,000 invited guests.

Which is how I happened to be in Euro Disney's 1,100 room Newport Bay Club hotel when the lights went out. The two-hour power failure was the culmination of a weekend of computer problems which had made checking-in a bad-tempered scramble and meant there was no record of guests' phone calls.

The analysts, alarmed by high prices and rides that broke down, advised clients to sell Euro Disney shares. Since the day of their visit, the shares have fallen 20 per cent on the Paris stock exchange.

Mark Feary, Euro Disney's vice president for marketing, acknowledges that now the park is open, the task of selling it changes. The pre-opening publicity included a $10m Europe-wide television advertising campaign and a two-hour live TV special broadcast to 30 countries.

While the company will continue to advertise on television and in magazines, the primary task now is to ensure paying visitors are more impressed than analysts and journalists.

Apart from telling their friends and neighbours how marvellous the park is, the company also wants those visitors to come back. Repeat business is an essential part of Disney's success in the US. Feary says that more than 90 per cent of customers filing through the gates of Disney's American parks every day have been there before.

Euro Disney says it is unreasonable to expect a project of this size to escape technical mishaps. "You don't get it right the second you start," says Timothy Wolf, senior vice president for human resources and administration. This would be true of any other organisation opening its doors on a FFr22bn (£2.2bn) project. Disney's problem is that it competes against its own reputation for getting things right.

The technical difficulties can be overcome. Whether Euro Disney's staff can achieve the ever-smiling, endlessly helpful standards set by their US counterparts is open to question.

The 14,000 "cast members" taken on to work at Euro Disney are, mostly, nice enough. "Mostly", because even on opening weekend some clearly couldn't care less. My suggestion to one staff member that she investigate why I had received a mild electric shock from a barrier in one of the park's restaurants was greeted with derision.

My overwhelming impression of the other employees was that they were out of their depth. There is much more to being a cast member than endlessly saying *"bonjour"*. Apart from having a detailed knowledge of the site, Euro Disney staff have the anxiety of not knowing in what language they are going to be addressed. Although most of the staff are supposed to be proficient in English and French, many were struggling.

One cast member, who has worked for the company in the US, candidly volunteered that service at Euro Disney falls way short of the standards at the American parks.

In fairness, some of the difficulties hampering Euro Disney staff are probably temporary. The most serious of these is that many cannot find accommodation near the site and are commuting for up to two hours to and from work every day. Wolf believes that nearly 4,000 staff have accommodation problems. By building its own flats and renting rooms in local homes, Wolf, who admits the housing problem keeps him awake at night, says the company is providing new accommodation at the rate of 100 beds a week.

Housing for employees, he says, was one area where communication with the otherwise co-operative French government broke down.

A less severe difficulty is the problem of the disappearing name badges. All cast members have to wear a Mickey Mouse name badge. Several have lost theirs and borrowed one from a colleague, so that you meet Irish cast members called Jean-Luc and Germans called Juan. (Jean-Luc and Juan are not their real false names. In a company where you can be dismissed for failing to maintain "an appropriate weight and size", wearing the wrong name tag is probably punishable with confinement in Sleeping Beauty's castle with only Goofy for company.)

The employees might grow into their jobs. But Disney executives say staff turnover at theme parks is high. The Disney style of service is one with which Americans have grown up. There are several styles of service (or lack of it) in Europe; unbridled enthusiasm is not a marked feature them.

Robert from Brighton is at least civil. He is too busy for me to ask him where he worked before Euro Disney. But given the practiced air with which he explains that service on Peter Pan's Flight has been suspended, British Rail seems a likely candidate. One would marvel at Euro Disney's attention to this detail of British life, were Robert not kitted out for an afternoon of yodelling. "It's Tyrolean," he says of his costume.

Euro Disney has been at pains to point out how European it is. Roy Disney, founder Walt's nephew, told the opening ceremony that the d'Isigny family had lived in France until as recently as the Norman invasion of England – a revelation greeted with regrettable levity by some of the audience.

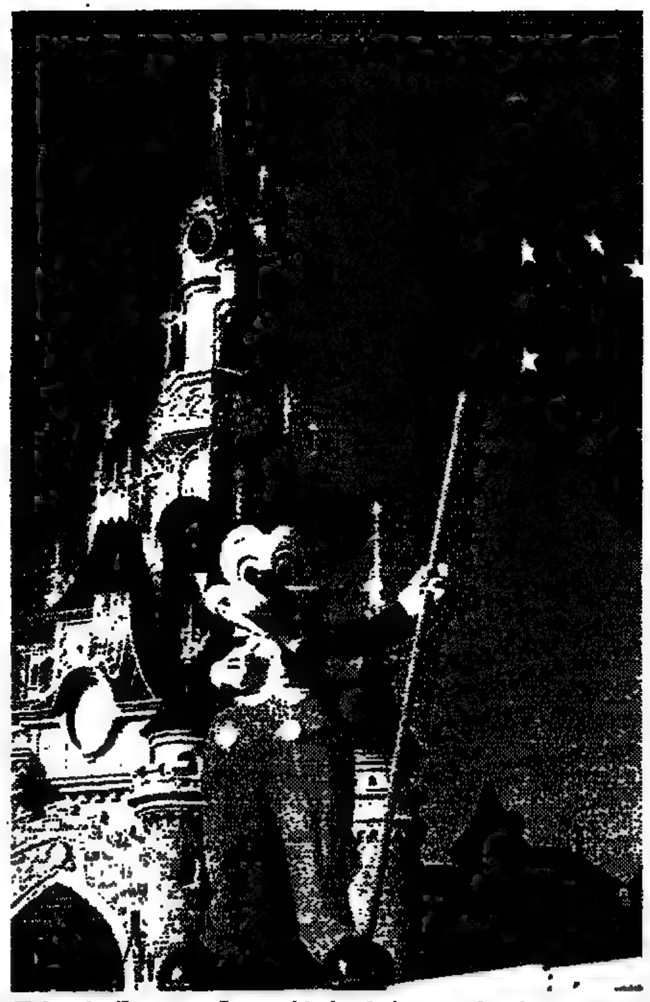
Fantasyland, one of five "themed" areas, is largely devoted to European tales: Snow White, Pinocchio, Alice in Wonderland and Peter Pan.

In Adventureland, Katherine from Birmingham is wearing an even more curious creation: a long black and white robe with some sort of shawl. "It's Tahitian, or something like that," she explains. Adventureland is a bit of the east, some African-style curios, shipwrecked Swiss Family Robinson's home and Pirates of the Caribbean. This, clearly, is Disney's collection of exotica.

But domes and minarets are a common feature of European cities. Many residents of Europe trace their roots to Africa, Asia and the Caribbean.

Perhaps only the high-minded will find Adventureland and Fantasyland insulting. But the unabashedly American nature of areas such as Frontierland and Main Street USA means they are easier to recall.

The cultural promiscuity evident in Tyrolean Robert's supervision of Peter Pan's flight and The Chant of the Tom-Toms alongside Egyptian perfume bottles renders this set of attractions curiously unmemorable.



Flying the European flag and trying to have a nice day

French revolution for record retail rivals

By Alice Rawsthorn

This time last year, the unsalubrious Parisian suburb of Cergy was the scene of a particularly nasty race riot, in which gangs of youths turned the town centre into a battlefield. Yesterday, it became a battlefield of a different kind when FNAC opened its newest store in the Cergy shopping centre.

FNAC is already France's biggest single record retailer and the Cergy store forms part of its FFr1.3bn (£130m) expansion programme. The store is also FNAC's latest weapon in its bitter battle against Virgin, the ambitious British retailer which is now FNAC's closest competitor on its traditional French terrain.

For decades, FNAC had enjoyed an apparently effortless dominance over the French market for records, cassettes, videos and books, or "cultural retailing" as the French like to call it. But three years ago, Virgin arrived in France and, far from shying away from a battle, showed every sign of spoiling for a fight.

Virgin went straight for the jugular. It opened its first French megastore in the heart of Paris, on the Champs Elysée. The store, set in a lavishly renovated banking hall, was not only the world's biggest record shop but its sales space was larger than all FNAC's Parisian stores put together.

The Champs Elysée store has been an undoubted success with sales of FFr500m in its first year. Emboldened by its experience, Virgin ventured into the French provinces in 1990 by opening two new megastores – in the same opulent style as the Paris store – in Bordeaux and Marseilles.

FNAC has fought back. The French press, which has followed the fight with even more than its usual bloodlust, is packed with accounts of the latest spat between Jean-Louis Pétriat, the bow-tied chairman of FNAC, and Patrick Zelnick, his laid-back counterpart at Virgin France who, true to the Branson tradition, does not wear a tie at all.

Pétriat has stopped at nothing in the fight against Virgin from reputedly putting pressure on its minority shareholders to withdraw their support, to slashing prices – reportedly by as much as 30 per cent – at FNAC's Parisian stores.

FNAC has also tried to play its competitor at its own game by opening its own megastore, *"La Cathédrale"*, in the old Grand Bazar department store on Avenue de Ternes to the north of the Champs Elysée. *La Cathédrale*, which opened last November with a bill of FFr10m, is as opulent as anything Virgin could conceive with its 8,000sq metres of sales space spread over five floors around an 18 metre high post-industrial *Colonne du Savoir*, (column of knowledge), bearing no fewer than 17 video screens.

La Cathédrale is the linchpin of the FFr1.3bn expansion plan with which FNAC plans to double its French floorspace by the end of next year. There will be nine store openings this year, of which Cergy was the first.

So far FNAC appears to have the advantage over Virgin. It is, after all, the bigger of the two businesses with 36 stores to Virgin France's three and turnover of FFr7.4bn in the last full financial year, compared with the interloper's FFr840m. Moreover, although the cost of the expansion plan is believed to be depressing FNAC's profits, Virgin, which has been far less successful in the provinces than in Paris, is thought to be losing money in France.

Virgin has, characteristically, turned this comparative weakness to its advantage. Zelnick has been careful to cast his company as a groovy young David and FNAC as a staid old Goliath. One of his most successful ploys has been Virgin's campaign against France's strict Sunday trading laws. The campaign has already cost Virgin several hundred thousand francs in fines, but has also produced pages of free publicity and the prospect of a government inquiry into the issue.

Moreover Virgin no longer looks quite so puny in its David guise. For a time last autumn, it looked as though the Virgin group, which was under pressure in other areas of activity, might have to give up the fight against FNAC. Zelnick confirmed to the French press in November that he was considering bringing in a new minority investor to provide additional capital. Pétriat smugly announced that FNAC might deign to invest.

Times have changed. Last month, Branson sold Virgin Music, his original record company, to Thorn EMI for £510m. Most of the money will be pumped into his airline, but there should be some left for his pugilistic megastores in France. The battle between FNAC and Virgin seems set to go on – and on.

INDIA 1992

The FT proposes to publish this survey on
May 28 1992.
This survey will be read in 160 countries worldwide, including India where it will be widely distributed. In Europe 92% of the professional investment community regularly read the FT. If you want to reach this important audience, call
Louise Hunter
071 873 3238
or Fax 071 873 3079.

Data source: Professional Investment Community 1991 (MPG Int'l)

FT SURVEYS

THE STORY OF THE CLAY MODEL AND THE SEVEN MICROPHONES.

Prevention is always better than a cure. That is why Lexus engineers didn't wait until the LS400 was a reality to start thinking about the problem of wind noise. Unlike other carmakers, they began at the earliest stages of its development.

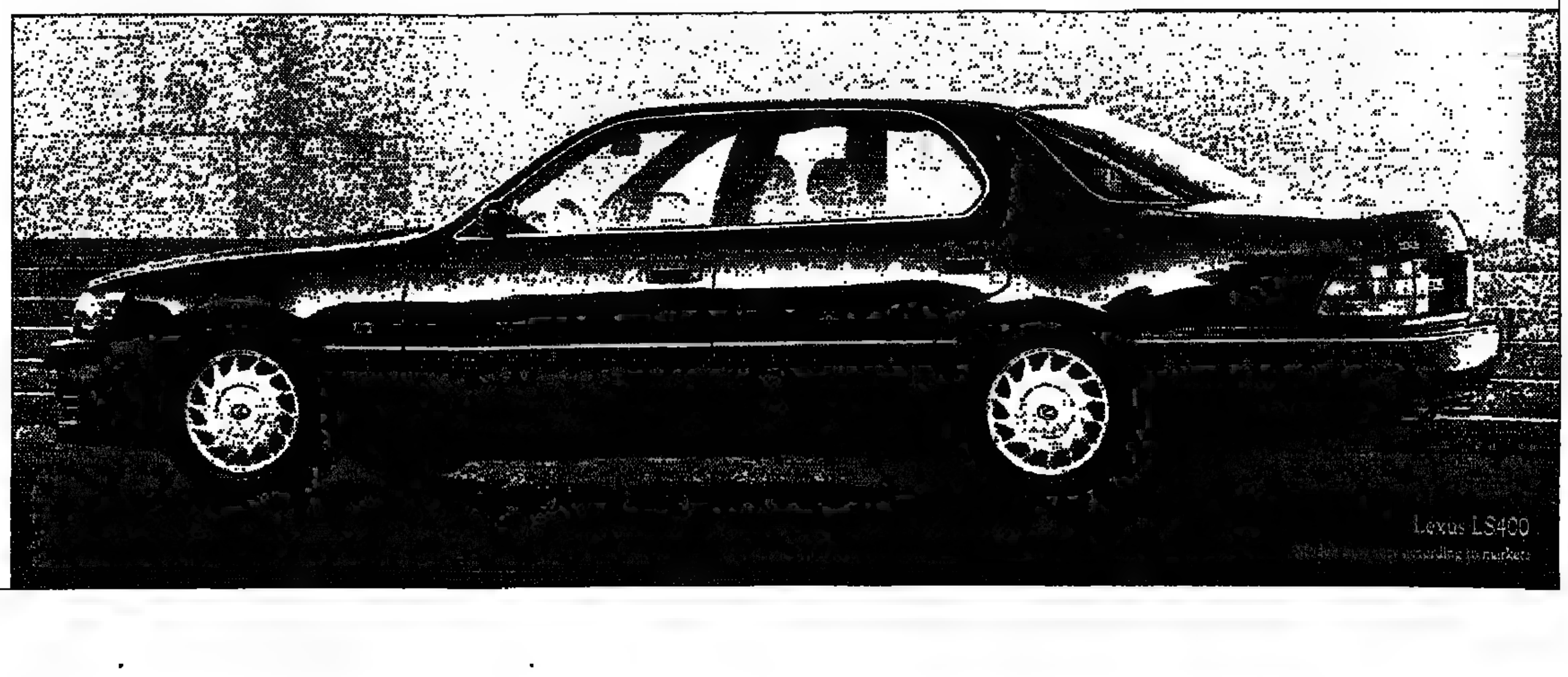
Before one of the first clay models entered the wind tunnel for testing, they placed seven microphones in strategic locations. This enabled them to study and monitor those areas particularly susceptible to wind noise.

When it came time to develop the first LS400 prototypes, the engineers made modifications in design according to the results of their experiments. As a result, the LS400 not only has the lowest coefficient of drag (Cd) of any car in its class, it also has one of the world's quietest cabins.

THE SOUND OF SILENCE. Lexus was able to achieve its extraordinary quietness and Cd figure of 0.29 as a result of an extraordinary design; where aerodynamics and aesthetics, often seen as antagonists, were united in uncompromising and remarkable harmony.

INSPIRED TO PERFECTION. In every detail, great and small, Lexus is a new automobile. From its 4.0-litre 32-valve V8 engine to its world-first liquid crystal display rearview mirror. What isn't new, however, is the 50 years of automotive experience that went into the making of Lexus. A result which has turned another page in the history of the automobile.

LEXUS
A New Division of Toyota



BUSINESS LAW

Implications of Emu and the Ecu

By Keith Clark and Richard Parlour

The economic and political issues arising from economic and monetary union (Emu) are more readily apparent than the legal ones. This, and the fact that in the run-up to Maastricht talks were conducted largely in secret, means there has been little discussion of the legal implications of Emu.

There are various constitutional implications with respect to institutional reconstruction and so on, but there are also practical banking and commercial implications arising out of the use of the European Currency Unit (Ecu).

The Ecu came into being in 1979, together with the European Monetary System (EMS), with the intention that it should ultimately become the single European currency in the monetary integration of the Community.

Within the EMS, the Ecu serves as a denominator for the exchange rate mechanism, a basis for an indication of the divergence of the market rate from the Ecu's central rate, a unit of account and also a means of settlement. Although it is not clear whether the Ecu is a currency or not under the laws of many member states, it has the economic attributes of a currency.

In practice banks deal between themselves in Ecu as if it were a currency, and have established a private clearing system in order to avoid having to break down the Ecu into its constituent currencies. The Bank of England is setting up a new Ecu payments clearing system for commercial banks. Many companies use the Ecu for accounting and invoicing purposes, the Ecu is quoted on exchanges around the world and derivatives have been created based on the Ecu, Ecu bonds and Ecu interest rates. Many governments and supranational bodies have now issued Ecu denominated debt. But is the Ecu money?

The question is important in English law owing to the distinction between monetary obligations or debt, and other obligations. For example, if a party's obligation to pay in Ecu is a monetary obligation, a claim can be made for the face value of that obligation, whereas, if it is not, then a claim can only be made for the amount of loss proved and the claimant is under a duty to reduce his loss.

The English courts can grant judgments in a foreign currency (which could include the Ecu). However, in some cases the courts treat foreign currency as a commodity and will not treat obligations in respect of it as monetary obligations with voluntarily adverse consequences.

Similar problems have arisen in the laws of other EC states. Generally, judicial thinking seems to be moving away from the requirement that legal tender should be involved in the payment process and moving towards accepting market practice. Clearly, if the legal tender requirement is maintained, there is no chance of an obligation in Ecu without a payment mechanism involving national currency being considered as a monetary obligation, because the Ecu is not legal tender anywhere.

There is a vital distinction between the official and the private Ecu. The official Ecu is used within the EMS and is the unit of account used by the community institutions for payment of levies, duties, grants and other funds. The official Ecu cannot be reconverted into the national currencies of which it is composed. It is used for credits and debits between central banks and for settlement between central banks. The official Ecu has many characteristics of a currency but, owing to its limited circle of users, should be considered a quasi-currency.

On the other hand, the private Ecu is a product of the official Ecu, and is used in commercial transactions. As such, the status of the private Ecu depends on the form of the contract that is made. The private Ecu can be reconverted into currencies of EC states.

The ordinary law of contract is applicable to the use of the private Ecu. A distinction between the two has to be maintained, as the Community has neither created, nor does it guarantee, the private Ecu. Historically, the private Ecu could not be used as a currency of payment and, instead, payment had to be made in the component currencies of the Ecu or in a third currency. Now, however, payment by bank transfer is rarely a problem.

There is no issuer of private Ecus, no lender of last resort. It is not legal tender and its supply is not legally organised. Accordingly, the private Ecu, like the official Ecu, is more a quasi-currency.

The distinction between the official and private Ecu has certain legal implications. If the official Ecu were ever to be abolished, the private Ecu would cease to exist in all contracts where the two have been linked. Accordingly, most agreements specify an alternative currency to be used in such an eventuality.

The private Ecu has not been issued by any national or international authority and has no monetary law defining it, or its use. However, national law cannot be ignored since that may still determine the rights and obligations of the parties to the contract, including the use and status of the Ecu.

An agreement expressed in Ecu may in certain circumstances be an exchange contract, since the Ecu is not the national currency of any state, but a basket of 12 national currencies. Thus contracts using the private Ecu must never violate the exchange control regulations of any of the member states whose currencies are involved.

Although the Ecu has the drawback of being a quasi-currency, this is not the only stumbling block to its further use. The area of taxation is clearly fundamental, tax rules requiring taxes to be stated and billed in a given currency. Governments may not yet allow taxes to be paid in Ecu and there may be huge problems in relation to capital tax reliefs being calculated in Ecu.

Another barrier concerns company law. Can corporate capital be expressed and paid in Ecu? Is borrowing in Ecu allowed? Such issues remain to be investigated.

Many issues arise in relation to payment in Ecu. If debts are not expressed in Ecu can creditors argue that they have not been paid, despite having been paid in Ecu? Can bank notes be denominated in Ecu? Limitations may exist on buying, holding or selling Ecu in national foreign exchange regulations and these will have to be removed.

Can claims be made in Ecu, and can judgments be given in Ecu for debts, or in actions for damages or compensation? If Ecu values have to be converted into national currencies, questions arise as to which law determines the conversion rate, which rate should be used and what date should be chosen for conversion purposes.

The UK objected at Maastricht to the imposition of a single currency and proposed an alternative evolutionary approach creating a 13th common currency which would gradually replace the 12 national currencies of the EC. The UK proposal was not supported by the other EC states, although parts of it may find their way into the final overall plan.

The UK's denial of the target of the single currency, coupled with the large divergence in economic performance between EC states, led several of them to suggest that Emu could be achieved by a core of six or more EC countries which have significant convergence between their economies. This proposal would entail the remaining member states joining when they met certain economic criteria.

This proposal could give rise to different types of Ecu for different purposes, making a mockery of the idea of the adoption of a single currency by a single Community.

Rather than Emu, the most likely outcome seems to be gradual monetary integration. Although the inclusion of dates in the revised treaty is a welcome gesture of political goodwill, business is still unable to plan in detail for the changeover to the Ecu, since there is bound to be some slippage in dates. Nevertheless, business is in a better position to quantify the likely impact of Emu, and evaluate potential problems, after Maastricht.

Keith Clark is a partner in the London office and Richard Parlour a lawyer in the Brussels office of Clifford Chance, the international law firm.

PEOPLE

Vegetarian takes a stake in ILO

The International Labour Organisation has appointed as director of its London offices Peter Brannen, previously head of international relations at the Department of Employment and a former member of ILO's governing body.

Described by colleagues as an unconventional civil servant with "more time for vision than systems", he is known for his energy and his tendency to end up in the chair of any committee of which he is a member. His main achievement at the employment department was co-ordinating technical assistance to the new governments in central and eastern Europe.

Born in County Durham 50 years ago, Brennan tends to become a professional Geordie when abroad, and indeed, at home – staff at the ILO can look forward to his whisky-inspired, 3 am renditions of *Keep Your Feet Still Geordie Hinny*, a local hymn to drinking.

All that remains of his early training as a priest is the joy he gets from repentance – which is matched only by the joy of sinning in the first place. He describes himself as "in principle a saint but in practice a sinner" – which explains why his vegetarianism is punctuated by the occasional large steak.

The ILO, a UN agency which includes employers, unions and governments, has criticised the UK government's industrial relations legislation. Brannen is unlikely to be fazed by this aspect of his new role; he spent much of his time at the employment department trying to reconcile UK policy with ILO aims.

■ John Barnett has resigned as a director of JARVIS PORTER, the specialist label printing group which is shaping up into a more aggressive business under the guidance of the recently-installed chief executive, Richard Brewster.

Barnett, a former management consultant at Alexander Proudfoot who was in charge of group strategy, saw his role evaporate as Brewster shortened the lines of communication and assumed more immediate responsibility for the company's direction.

Paul Jarvis, chairman, says: "We were a bit top-heavy and so John decided to leave by mutual agreement."

The genial Brewster was the main architect of the dynamic acquisitive growth of David S Smith, the paper and packaging group, and has again hit the acquisition trail at Jarvis Porter since joining a year ago.

■ EUROPEAN LEISURE, which owns discotheques and snooker halls, is losing its finance director, Christopher Critchlow. Critchlow is to become finance director of a division of an unnamed listed company in the leisure sector. European Leisure is being investigated by the Serious Fraud Office over its acquisition of Midsummer Leisure in 1990.

European Leisure says, however, that Critchlow is leaving for personal reasons and that his departure has nothing to do with the SFO investigation. He lives in London and for family reasons was unable to move to European Leisure's new headquarters which are in Leicestershire.

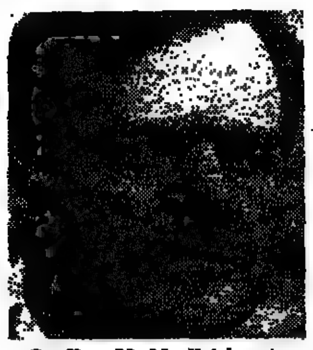
■ Ian Barr, group financial controller of COOKSON, the materials group, is to become chief financial officer from May 1. He will replace Fergus Munro, finance director, who is leaving the company.

According to chairman Robert Malpas, Munro's departure is part of the process of slimming down management and the headquarters.

Barr will report to Richard Oster, managing director. The position of finance director will not be filled immediately.

■ Rocky Stone, a non-executive director of SMITH NEW COURT for eight years, died on April 18.

Non-executive directors



■ Geoffrey Maddrell (above), for five years chief executive of Tootal and currently chief executive of Proshare which encourages wider and deeper share ownership, at TRANSPORT DEVELOPMENT GROUP.

■ Peter Hardy, who is to retire as md (Investment Banking) of SG Warburg in June, at KINGFISHER.

■ Pierre Moussa has retired from SEDGWICK.

■ Jeremy Fairbrother, a director of Barings who is about to become fellow and senior bursar of Trinity College, Cambridge, at ABBEY NATIONAL TREASURY SERVICES.

■ Thomas McKillop, technical director of ICI Pharmaceuticals, at AMERSHAM INTERNATIONAL.

■ Richard Hanwell, previously chief executive of Norton Opax and leader of the White Rose consortium bid for the Yorkshire television franchise, as chairman of FARNELL ELECTRONICS, on the retirement of Ray Kidd in August. He is an existing non-exec director.

■ Robert Paine as chairman of CONDER.

■ Robin Baillie, chairman of Burson-Marsteller, at HENDERSON.

■ Sir Antony Acland (below), retired career diplomat, at BOOKER; Fredy Fisher and Sir Michael Palliser are retiring.

Bodies politic

Derek Tordoff, director of the British Constructional Steelwork Association, and Michael McKinstry, purchasing director of Rover, are appointed representatives to the Consultative Committee of the European Coal and Steel Community.

■ John Holland is appointed president of the NATIONAL TYRE DISTRIBUTORS ASSOCIATION.

■ John Hill, a director of various subsidiaries of the Hongkong and Shanghai Bank, is appointed chairman of COMET, the Committee for Middle East Trade; he succeeds The Hon David Douglas-Home.

■ Barbara Deacon is elected chairman of the GIFTWARE ASSOCIATION.

■ Simon Dyer, the director general of the Automobile Association, has become world president of the ALLIANCE INTERNATIONALE de TOURISME.

■ Bob Hubbard, group business director of Eagle Star Life, is appointed president of The PENSIONS MANAGEMENT INSTITUTE from July.

■ Derek Jackson, formerly chief executive of the Heart of England Tec, has been appointed executive director of the CORONARY PREVENTION GROUP.

■ Gerry Klapwyk, director of the Slough Plastering Company, is the new president of the FEDERATION OF SPECIALIST BUILDING CONTRACTORS.

■ Ronnie Pugh, md of Polbeth Packaging, has been elected chairman of the PACKAGING AND INDUSTRIAL FILMS ASSOCIATION.

■ Gordon Gaddes, director of the Federation of British Electrotechnical and Allied Manufacturers' Association, has been appointed chairman of The EUROPEAN ELECTROTECHNICAL SECTORAL COMMITTEE.

CONTRACTS & TENDERS

BIRMINGHAM CITY COUNCIL
ENVIRONMENTAL PROTECTION ACT, 1990
WASTE DISPOSAL OPERATIONS
CONTRACT F4232

In accordance with the Environmental Protection Act, 1990, Birmingham City Council will, in due course, invite tenders for the keeping, treatment and disposal of household, commercial, industrial and street cleansing wastes arising within the City. Currently the Council operates an Incinerator Plant, three Transfer Stations and five Public Waste Disposal Sites. A Bulk Haulage Fleet and Maintenance Unit inclusive of workshop and stores support these functions. The Council currently employs a workforce of around 170 to carry out the service. Other staff provide part-time support.

The City has established a wholly-owned waste disposal company (LAWDC), following a direction issued by the Secretary of State under the Act. The Council will transfer to the LAWDC all assets and liabilities employed in its waste disposal undertaking by means of a transfer scheme under the Act, subject to its approval by the Secretary of State.

The Council has strategic policies which favour the re-use and recycling of waste, obtaining high payloads for the transportation of waste, and the derivation and use of energy from waste.

Following competitive tendering, it is proposed that the successful tenderer and the Council will form a Joint Venture Company/New Company/Partnership which will take over the LAWDC and then perform the contract, and will develop and operate the means of disposal for over 400,000 tonnes of waste which arise each year within the administrative boundary of Birmingham City Council. This is to include the financing, construction and subsequent operation of new incineration plant(s) having a capacity of at least 350,000 tonnes per annum.

Organisations who want to receive further information, including the Specification, should apply to the address below, enclosing a cheque for £75 made payable to Birmingham City Council. Those wishing to be considered for shortlisting should complete the questionnaire provided and return it, together with supporting information by 12 noon on the 26th June, 1992. The Specification and other relevant information will be available for inspection, without charge, at the address given below between the hours of 0900 and 1300 and 1400 to 1600, Monday to Friday inclusive, excluding 4th, 25th and 26th May 1992.

Applicants shortlisted will receive tender documents during August 1992.

Applications to:

Mr D C Abbott, Assistant City Building Finance Officer, Building Finance Department, 1 Lancaster Circus, Birmingham B4 7DJ. Fax number: 021 333 3365. Telephone number: 021 235 7322.

Date of Notice 24th April 1992.

Please quote Reference No. F4232

FIERA MILANO

BIDDING NOTICE

ENTE AUTONOMO FIERA INTERNAZIONALE DI MILANO - LARGO DOMODOSSOLA 1, 20145 MILANO - ANNOUNCES AN INFORMAL CALL FOR BIDS FOR THE ASSIGNMENT OF WORK CONTRACTS FOR THE CONSTRUCTION OF NEW EXHIBITION STRUCTURES TO BE REALISED IN THE PORTELLO SUD AREA OF MILAN, FOR A TOTAL AMOUNT OF ABOUT 215 BILLION ITALIAN LIRE.

REQUESTS FOR INVITATIONS, PREPARED AS SPECIFIED ON THE APPLICATION FORM, MUST ARRIVE BY 12:00PM ON 15 MAY, 1992.

A COPY OF THE APPLICATION FORM MAY BE REQUESTED PERSONALLY OR BY FAX (NO. 2/4997366) FROM THE PROJECT DIRECTOR - ING. ANTONIO VETTESE, UNTIL 30 APRIL 1992.

CONFERENCES & SEMINARS

TOP MANAGEMENT VIDEO SELECTION

The finest selection of training videos from the world's foremost business authorities.

Simply fax Euromanagement in Holland on +31 - 40 - 468 885 and ask for the 1992 Video Catalogue - free of charge.

Excellence in Management Education

PERSONAL

PUBLIC SPEAKING

Training and speechwriting by award winning speaker. First lesson free.

Tel: (0727) 861133.

Appear in the Financial Times on Tuesdays, Fridays and Saturdays.

For further information or to advertise in this section please contact

Melanie Miles on 071 873 3308

FINANCIAL TIMES

COMPANY NOTICES

[illegible] ENTERPRISES INC.
US$[illegible] FLOATING RATE NOTES DUE 1997

For the period 16th April 1992, to 16th July, 1992 the Notes will carry an interest rate of 5 % per annum. The amount payable per US$250,000 will be US$3,159.72 payable on 16th July, 1992.

AGENT BANK
BARCLAYS BANK PLC
STOCK EXCHANGE
SERVICES DEPARTMENT
168 FENCHURCH STREET
LONDON EC3P 3HP

LEUMI INTERNATIONAL INVESTMENTS N.V.
US $100 000.000 GUARANTEED FLOATING RATE NOTES 1998 (EXTENDIBLE AT THE HOLDER'S OPTION TO 2003)

The interest rate applicable to the above Notes in respect of the interest period commencing 23rd April 1992 has been fixed at [illegible] per annum. The interest amounting to US $115.96 per US $5.000 principal amount, to US $231.93 per US $10.000 principal amount and to US $2319.27 per US $100.000 principal amount of the Notes will be paid on 23rd October 1992 against presentation of Coupon No. 2.

BANK LEUMI (UK) Plc
Principal Paying Agent

bank leumi בנק לאומי

GENEVA SWITZERLAND

Full Service is our Business
International law and taxes. Mailbox, telephone,
furnished offices and conference room for daily or monthly rental,
telex and telecopier services
[illegible]
Formation, domiciliation
and administration of Swiss and Foreign companies.
Full confidence and [illegible]
BUSINESS ADVISORY SERVICES S.A.
7 Rue Muzy, 1207 Geneva
Tel:736 05 40 Tx: 413221
Fax:786 06 44

ARE YOU FEELING BETTER?

If you believe we are on the brink of recovery, which sectors and stocks will benefit most? Read our investment advice in Finance and the Family.

IN THIS SATURDAY'S

Weekend FT

Cinema/Nigel Andrews

A film odyssey fit to bore the Bard

UNTIL THE END OF THE WORLD (15)
Wim Wenders

NAKED LUNCH (18)
David Cronenberg

REBECCA'S DAUGHTERS (12)
Karl Francis

THE HAND THAT ROCKS THE CRADLE (15)
Curtis Hanson

BROADWAY BOUND (PG)
Paul Bogart

It is Shakespeare's 428th birthday today. Something reminded me of the Bard – perhaps it was the *sense of passing centuries* – in Wim Wenders' long, ambitious, awesomely picaresque *Until The End Of The World*. No, but there was something else too. In the film's last half, desert-dwelling scientist Max Von Sydow tries to help his blind wife Jeanne Moreau see with quasi-magical video footage shot around the world (in the film's first half) by their son William Hurt.

Though set in 1999, this section is in mood and essence a replay of the 1956 sci-fi film *Forbidden Planet*, itself a replay of Shakespeare's *The Tempest*. The marooned and brooding wizard; the hubris of Man imitating God by tinkering with human potential; the sense of a scholarly "court" lost far beyond time and place.

Two and a half hours' long, with a five hour director's version waiting dauntingly in the wings, *Until The End Of The World* goes as far towards the *edge of* the world and of movie possibility as a modern film could.

But in getting there it is terminally strained by the rigours of travel. The first half, not to circumlocute, is a fiasco. Here are *Hurt and his girlfriend* Solveig Dommartin (also Wenders's girlfriend, muse and co-writer) tearing around six countries whirring their cameras and becoming entangled with a surfeit of subplots. A *German detective, an* Australian bounty hunter, two French bank robbers, Solveig's ex-boyfriend Sam Neill. . . Siberia, San Francisco, Beijing, Tokyo. . . no, stop the movie, I want to get off.

In a sense *we do get off*. The film suddenly stops dead, tipping us into the red-earthed Australian desert. Here a movie Wenders has been nursing for 15 years begins at last to break free of abstraction. We *sense the glimmer of excite*ment in a fable about "seeing" set in a landscape whose native people aboriginally combine the hunter's outer eye with the dreamer's inner eye. And we thrill to the plane's-eye *views of a land whose time*-worn splendour dwarfs even the cityscapes we have gazed down on before, celestially glimpsed mazes of microchip buildings and winking fibre-optic lights.

But even this promise does not last. Soon we are flung back upon the white man's plot, ruled by the phrasebook dialogue and warring accents of an "international" cast. In Wenders' best films – *Alice In The Cities, Kings Of The Road, Paris, Texas* – human beings begin as blank enigmas and are coloured in by experience and social-cultural exposure. In *Until The End Of The World*, the characters begin as interchangeable co-production ciphers and stay that way.

Even the film's climactic apocalypse of new technology – the swirling images of the film-within-film shot on high-definition video – fails to blast into life a film that is less like the intended fable about an *image-sated world* re-learning to see, more like an overlong storytelling soirée at the United Nations.

* * *

The Naked Lunch also strives towards new horizons and fails to reach them. Canadian shriek specialist David Cronenberg (*The Fly, Dead Ringers*), adapting William Burroughs' cult novel, presents a fabulist futureworld no more convincing, though more darkly playful, than Wenders'. Pest exterminator Bill Lee, played by Peter 'Robocop' Weller with a deadpan croak patterned on Burroughs himself, is haunted by giant bugs, talking typewriters and hideous Mugwumps resembling skinned lambs.

This sounds like an average day in the life of a late 20th-century artist. But Weller thinks he needs a trip and takes one to "Interzone" – equals Morocco – where he *meets creepy Ian Holm*, sultry Judy Davis (doubling as Mrs Weller and Mrs Holm) and more talking typewriters. When Cronenberg's shrinking budget prevented him from filming in Africa, he built the movie on a soundstage. It looks like it: I felt I was in a TV adaptation of *Casablanca* with special effects by the Muppets. The lighting is drab, the creatures are silly and the plot momentum – well, there isn't any.

Burroughs's book had a point. It was a bad dream from the drug culture. It mixed the rhythmic anarchy of Beat writing with a quivery persecution mania out of Kafka via sci-fi. The book's shapelessness was *its shape: it followed the cresta* runs of its narrator-hero's damaged mind.

Bare faced confrontation: Peter Weller stars in The Naked Lunch (top), flanked by Solveig Dommartin (bottom left) and William Hurt in Until The End of the World

Cronenberg's film is like a ski-run that never leaves the *starting post. The* problem may be the wrong kind of snow, or then again the wrong kind of director. Cronenberg's forte is for physical, as distinct from spiritual, dissection. His best films are *under-the-knife nightmares* about the invasion of the human body. But here visceral immediacy is supplanted by the tame frissons of second-hand symbolism.

The only modern director *who might do justice to Bur*roughs is David Lynch (or Burroughs himself). Cronenberg's talent seems both overstretched and underused. He cannot do justice to the free-associative *delirium tremens* of the book, even when pixillating the text with details from Burroughs' own life. At the same time he seems reduced by the need to make potentially ravening monsters quaintly metaphorical.

* * *

Peter O'Toole is a source of delight in *Rebecca's Daughters*. Wearing false upper teeth, a rakish wig and a live cat around his neck, he plays a dissolute landowner in 1843 Wales. Based on a Dylan *Thomas original screenplay*, tidied up by Guy Jenkin and directed by Karl Francis (*Giro City*), this agitprop romp allows O'Toole to behave like an absolute bounder whenever he is allowed to upstage – *allowed? who could stop him?* – the nominal hero and heroine played by Paul Rhys and Joely Richardson.

She is O'Toole's daughter, he the gallivanting social crusader who sweeps her up in his *struggle against the English* tollgate laws. "Rebecca's daughters" is the Bible-culled name of his male army, who dress up in drag to defend the peasant poor against the vicious tax wheezes of the rich.

But the rich, as represented by O'Toole, are so much more fun. The film is footling whenever he is not on screen: like *The Wicked Lady* adapted by Bertolt Brecht. When he *is* on screen it is still footling but somehow inspirational. The drawling voice, the lolling gestures, the tipsy-staring eyes, the fond regard for his daughter ("What she needs is a good man on top of her!"): it is not so much that the Devil has the best tunes in this film as that none but he can sing in tune.

Lastly, two from Tinseltown. In *The Hand That Rocked The Cradle* a vengeful nanny (Rebecca De Mornay) frightens a married couple (Annabella Sciorra, Matt McCoy) plus *their tot. As Jean Renoir said*, everyone has his reasons, and Miss Mornay has hers. This is a nice girl with a good background who simply likes to rig greenhouses so they slaughter people in a shower of *glass, to sabotage Miss* Sciorra's asthma spray so she is left writhing on the verandah, or to wield an axe as if trained at the Joan Crawford School for Advanced Child Care. Good Gothic fun, scripted *by Amanda Silver and directed* by Curtis Hanson.

If one could order one by catalogue, I would have called in an axe murderer to liven up *Broadway Bound*. Here the cinema rounds off its stodgy *adaptation of Neil Simon's* autobiographical stage trilogy. Like *Brighton Beach Memoirs* this is set in a house in Brooklyn where the walls and furniture are all in mouldering brown. The time is the 1940s. The young Simon brothers yatter formative wisecracks; Grandad Hume Cronyn grouches; Ma Anne Bancroft reminisces and knits (brown wool – is she knitting the set?); and husband Jerry Orbach walks out. Lucky man. You, if foolish enough to have paid admission, should follow.

Time of My Life

Alan Ayckbourn's new play is a discouraged comedy for sextet, or more precisely (like a well-known piece by the composer Elliott Carter) for three semi-detached duos. Those are the senior Strattons, Gerry and Laura; their smooth-talking, unreliable son Glyn and his off-and-on wife Stephanie; and the arty younger son Adam with his innocently punkish girl Maureen. There are also some wild cards, a restaurateur and four of his waiters (all played by a single actor), for everything happens in the Strattons' favourite local restaurant.

The central occasion, the core of the play, is *Laura's 54th birthday* party. *In a sense*, the play goes nowhere; instead it expands in ripples fore and aft, but always returning to its base. Ayckbourn likes to play formal games, and *Time of My Life* is highly regimented. Not only do all its events take place at three different tables in that restaurant, but the Janus-faced chronology – more complicated than Sondheim's in *Merrily We Roll Along* – is strictly apportioned.

Adam and Maureen are traced backwards from the party through several dates to their first accidental meeting; Glyn and Stephanie's uneasy lunches run *forward*, through Laura's widowhood, to their inevitable split. Laura and Gerry are seen only in "real time", in successive moments of the party – though we glimpse the beginning of that only at the end.

The writing leaves room for plenty of laughs (the Scarborough audience was loyally forthcoming), and the cast secures them with sharp, sympathetic playing. Yet there are scarcely any frank gags, nor anything like farcical mechanics – deceptions, disguises, crucial misunderstandings – until the first (final) encounter of the youngest pair, by which time a dash of farce is welcome: the dying fall of the play has been somewhat protracted.

Heretofore, Ayckbourn's canny naturalism has usually taken off from some bizarre or frenetic spring in the plot. This time everything is as Northern-ordinary as can be, including the relevant adulterous bits, and such little revelations as crop up surprise only the characters, not the audience. But that is the point: to detached observers, there is never much doubt about the paths these lives are taking. The "time of your life", by the way, is expressly identified as the time when you were happiest but didn't know it. Whether or not that is a sentimental premise, it is a barbed one for comedy. We watch the characters gently succumbing to wounds they might have recognised but didn't: *funnier for us than for* them, of course, but almost as painful too.

Yet there is also a pervasive sense that each of them *does* know pretty well what he or she is doing, and what the others make of that as if they were willing their own deserts while preferring not to admit it. Not the first time in *Ayckbourn's work that this fatalistic sub-text* has surfaced: it is what makes him something

Adrian Gate

Sophie Heyman in Time of My Life

more than a comic playwright.

Richard Garnett's Glyn boasts almost as much well-lubricated charm and confidence as he thinks he has, and Stephen Mapes is the picture of flustered good intentions. Colette O'Neill's Laura is nicely ambiguous between being toughly sensible and just brutally tough, and Sophie Heyman brings more touching subtleties to poor Maureen than one would think the role permitted. Terence Booth has a wonderful time with his Mediterranean restaurant-personnel, all neatly differentiated and cleverly employed in Ayckbourn's plot, too, not mere local colour.

The equally put-upon Gerry and Stephanie seemed to be in safe hands with Russell Dixon and Karen Drury; but from seat no. D10, more often than not I saw only the backs of their heads. With a play in which everyone is usually facing someone else across a fixed table, there are bound to be geographical problems in a theatre-in-the-round like the Stephen Joseph.

David Murray

Stephen Joseph Theatre, Scarborough, in repertory until July 15.

A Jovial Crew

When the London theatres reopened in 1661, Samuel Pepys found the revival of *A Jovial Crew* "the most innocent play I ever saw." Max Stafford-Clark's RSC debut production is far from that, for *A Jovial Crew* makes a sharp, knowing counterpart to the flaccid *Beggar's Opera* playing alongside it at the Swan. Both plays are about the low life, and both were operettas in the 1780s. This new production of *A Jovial Crew* transforms the relaxed original into a robust evening's theatre.

Richard Brome (circa 1590 – 1652) wrote *A Jovial Crew or The Merry Beggars* in 1641. He learned much from working with Ben Jonson, and this play combines Jonson's realism (*The Staple of News*) and romance (*The New Inn*). It has been extensively rewritten and modernised to good effect by Stephen Jeffreys.

The improbable plot follows the devices and desires of Squire Oldrents' steward Springlove, a man with an inborn desire of liberty who periodically takes to the road with a band of itinerant beggars. When Springlove leaves with a begging crew, Oldrents' flighty daughters, tired of Oldrents' melancholia, follow him and take their respective suitors along. Another couple, escaping from an enforced marriage, joins the crew.

Chases and confusions ensue. True to 17th-century form, a lost infant reappears from Oldrents' past, and the naturally good turn out to be nobly born. The moral?: "They dream of happiness that live in state, But they enjoy it that embrace their fate."

The serious import of Brome's play is that possessions are at best a responsibility and at worst a burden; that beggars are "the only free men of the commonwealth;" and that for beggars, "tis not home merely that you leave behind, But language, morals, certainty of mind."

Behind it all lie the Elizabethan Poor Laws stacked up by William Cecil, making each parish responsible for its needy; the laws remained largely unchanged until 1834.

Brome jokes about the profession of beggary. He sets out the panhandler's "Three Rs": Respect, Responsibility, Religion; an appeal to all of these yields a gift. The wit comes from the moments when the gentry-class runaways try begging for themselves: "troubled times indeed when mendicants plead in rhyming hexameters." But the scope of Brome's joke extends not a titter further than that.

The three-dozen cast are wonderfully manoeuvred around the stage by Stafford-Clark. Paul Jesson as Oldrents and Roger Frost as a hang 'em, flog 'em Justice lead the troupe, with Ron Clark as Springlove, "young in years and ripe in goodness." The hard-core of beggars, ably led by Lloyd Hutchinson, deliver some wonderful ensemble scenes, including a high-energy libidinous tribal dance. Other highlights are David Westhead's lugubrious Yorkshire bailiff, Sophie Okonedo's runaway bride, and James Connolly's beggar-actor. The excellent music (Ian Dury and Mickey Gallagher) shows how robust rhythms can give momentum to an evening, and Wayne Dowdeswell's lighting makes the most of a minimal set.

Andrew St George

RSC Swan Theatre

Krystian Zimerman

Krystian Zimerman, a superlatively fine pianist, is on the way to becoming one of the world's master-recitalists. At the on Royal Festival Hall on Tuesday his playing maintained a degree of poise and security, an aristocratic finish, a combination of searching eloquence and simplicity, to which very few of his generation (or, indeed, any other) could aspire.

More than this, he imparted to the music a quality of sound that one recognised as utterly his own: lightly luminous yet deep-toned, with a crystalline glitter in bravura passages that never went hard or vacuously brilliant. It is a sound imbued with the spirit of musical seriousness, which is why it absorbed the listener's attention instantly and completely.

On this occasion, though, his performances of Brahms and Chopin never quite achieved that state of interpretative finality which brooks no argument – the ability of a Richter or an Arrau to take controversial approaches to tempo markings or details of texture and phrasing and establish them as inevitable, impervious to criticism, at last while one listens.

Zimerman opened with the four early Brahms Ballades, op. 10, and took them so gently and ruminatively that their narrative and picturesque elements were diluted. ("Edward", the first of the set, particularly craves more sense of forward movement.) All four pieces sounded wonderfully beautiful, but a shade too "private".

Similarly, although Zimerman's four Chopin Scherzos were full of fiery flashes, shining bursts of inspiration, limpidly lyrical turns of phrase, the balance of passion and repose was never held absolutely steady. He tended to sustain tone through the rest-markings – this was especially noticeable in the first Scherzo – with the consequence that the music sometimes felt rushed, and robbed of its full dramatic import. (A monster with a flash-camera destroyed the build-up of no. 2.)

He was at his incomparable best in two of the three Szymanowski *Masques* (why not, as advertised, all three?). In general, even where one quibbled, one admired the pianist's deep thoughtfulness more than ever.

Max Loppert

Royal Festival Hall

INTERNATIONAL
ARTS GUIDE
TODAY'S EVENTS

■ BARCELONA

Palau de la Musica Michael Tilson Thomas conducts the New World Symphony Orchestra in tonight's concert in the main hall of the Palau. In the small hall, members of the Barcelona City Orchestra play piano trios by Fauré and Beethoven. *Tomorrow*, Sat and Sun morning: Silvia Markovici plays Dvorak's Violin Concerto (268 1000).
Tomorrow in Gran Teatre del Liceu: first of six performances of Steffen Piontek's Dresden production of La *Cenerentola*, starring Kathleen Kuhlmann (412 1466)

■ BERLIN

Schauspielhaus 20.00 Peter Schreier conducts a Bachgramme. Sat, Sun and Mon: Petr Altrichter conducts the Berlin Symphony Orchestra (East Berlin 2090 2267)**Philharmonie Kammermusiksaal** 20.00 Majella Stockhausen (piano) and the Helion Trio play works by Dohnanyi, Kodaly and Brahms. Sun: re-opening of the Philharmonie main hall with a performance of Schoenberg's Gurrelieder by the Berlin Philharmonic Orchestra and choruses, conducted by Claudio Abbado, repeated on Mon (West Berlin 2548 8232)**Deutsche Oper** 20.00 Heinrich Hollreiser conducts Fidelio, with Janis Martin and Matti Salminen. Tomorrow: Madama Butterfly with Catherine Malfitano. Sun: Gwyneth Jones sings Tosca (West Berlin 3410 249)

■ BRUSSELS

Monnaie 20.00 Song recital by Sylvia McNair. Fri and Sun afternoon: The Rake's Progress (219 6341). Tomorrow and Sun afternoon in **Palais des Beaux Arts**: Imogen Cooper plays *Mozart (507 8200)*

■ CHICAGO

Orchestra Hall 20.00 Leonard Slatkin conducts the Chicago Symphony Orchestra in *Schumann's Piano Concerto* (soloist Richard Goode) and Elgar's Enigma Variations. Repeated tomorrow afternoon and Sat evening. Sun afternoon: piano recital by Richard Goode (435 6666)

■ GOTHENBURG

Konserthus 19.30 The Gothenburg Symphony Orchestra plays works by Mozart and others: Repeated *tomorrow at 18.00 (167000)*

■ LONDON

THEATRE

● Heartbreak House: Paul Scofield and Vanessa Redgrave in G B Shaw's timeless drama (Theatre Royal Haymarket 071-930 8800).

● Reflected Glory: Albert Finney stars in Ronald Harwood's new comedy (Vaudeville 071-836 9987).

● Pygmalion: Alan Howard as Professor Higgins in one of Shaw's best-known plays (National 071-928 2252).

● The Alchemist: Jonathan *Hyde and Philip Voss in the RSC* production of Ben Johnson's satire on greed. Also in repertory: Henry IV Part I (Barbican 071-638 8891).

● For ticket information about all West End shows, phone Theatreline from anywhere in the UK: Plays 0836 430959 Musicals 0836 430960 Comedies 0836 430961 Thrillers 0836 430962

DANCE

Covent Garden 19.30 Viviana Durante and Irek Mukhamedov in Kenneth MacMillan's Royal Ballet production of Manon, repeated on Sun with Sylvie Guillem. Tomorrow: The Fiery Angel. Mon: L'elisir d'amore (071-240 1066)

■ MADRID

Teatro Lirico La Zarzuela Tonight's performance of Il barbiere di Siviglia is conducted by Alberto Zedda, with a cast including Gino Quilico and Luciana Serra. Placido Domingo sings Figaro in performances next Mon and Thurs. Sun: song recital by Frederica von Stade (429 8225)
Auditorio Nacional de Musica Tonight: Duo Versus in a programme of music for flute and guitar. Tomorrow, Sat and Sun: Aldo Ceccato conducts the Spanish National Orchestra in works by Schubert, Mendelssohn, Nino Rota and Rossini. Tomorrow and Sat: St Petersburg Philharmonic Orchestra (337 0100)

■ NEW YORK

THEATRE

● Two Trains Running: August Wilson's play, set in 1969 Pittsburgh, about the lives of the regulars at a neighbourhood diner (Walter Kerr Theater, 219 West 48th St, 239 6200).

● Candide: Victor Mack stars in Voltaire's classic, adapted by Len Jenkins (CSC Repertory, 136 East 13th St, 677 4210).

● Eating Raoul: Adrian Zmed stars in a musical comedy about two hapless squares and their quest for the American dream (Union Square Theater, 100 East 17th St, 505 9251).

● Death and the Maiden: Glenn Close, Richard Dreyfuss and Gene Hackman in Ariel Dorfman's harrowing Chilean play (Brooks Atkinson, 256 West 47th St, 307 4100).

DANCE

Metropolitan Opera 20.00 American Ballet Theatre in Giselle, daily except Sun till next Wed (362 6000)
State Theater 20.00 New York City Ballet in Peter Martins' Sleeping Beauty, daily except Mon until May 10 (870 5570)

MUSIC

Carnegie Hall 20.00 Christoph von Dohnanyi conducts the Cleveland Orchestra in works by Webern, Varèse, Ravel and Schumann. Sat: Itzhak Perlman plays Stravinsky's Violin Concerto. Next week: Previn conducts the Dresden Staatskapelle (247 7800)
Avery Fisher Hall 20.00 Kurt Masur conducts the New York Philharmonic Orchestra in a Mahler programme, repeated tomorrow and Sat. Next Wed: *Muti conducts the Philadelphia* Orchestra (875 5030)

■ PARIS

Châtelet 19.30 Pierre Boulez conducts Peter Stein's Welsh National Opera production of Pelléas et Mélisande, with Neil Archer, Donald Maxwell and Alison Hagley. Repeated on Sat, Mon and Wed (4028 2840)
Auditorium, Forum des Halles 19.00 Song recital by Sharon Sweet. Tomorrow: Arturo Tamayo conducts works by Ohana, Busoni and Stravinsky (4028 2840)
Theatre des Champs-Elysées 20.30 Ivan Fischer conducts the Orchestre National de France in Ligeti's Atmosphères, Liszt's First Piano Concerto (Barry Douglas) and Beethoven's Third Symphony (4720 3637)

■ VIENNA

MUSIC

Konzerthaus 19.30 Gary Bertini conducts the Vienna Symphony Orchestra in a new work by Kurt Schwertsik, plus music by Bartok and Schoenberg, repeated tomorrow (712 1211). Tomorrow, Sat afternoon and Sun morning in the **Musikverein:** Ozawa conducts the Vienna Philharmonic. Sat evening: Gustav Mahler Youth Orchestra. Sun evening: Danish Radio *Symphony Orchestra (505 8190)*
Staatsoper 20.00 Katya Kabanova. Tomorrow: La boheme with Katia Ricciarelli and Luis Lima. Sat: Die Zauberflote. Sun: Fidelio (51444 2960)

THEATRE

Burgtheater 20.00 The Merchant of Venice. Tomorrow and Sat: Edward Albee's Who's Afraid of Virginia Woolf (51444 2959)
Volkstheater 19.30 First of three guest performances by the Ivan Franko Theatre of Kiev (Neustiftgasse 1, 932776)

■ ZURICH

MUSIC

Rafael Fruhbeck de Burgos conducts La boheme tonight at the **Opernhaus,** with Sona Ghazarian as Mimi. Tomorrow and Sun: Harnoncourt conducts Fidelio. Sat: John Cranko's Romeo and Juliet (262 0909). Tomorrow in **Tonhalle:** Marek Janowski conducts Strauss' Alpine Symphony (201 1580). Sat in Tonhalle: Radu Lupu plays Beethoven (261 1600)

THEATRE

The Schauspielhaus repertory includes Gogol's The Government Inspector and Lillian Hellman's 1951 play The Autumn Garden (221 2283)

European Cable and Satellite Business TV

(all times CET)

MONDAY TO FRIDAY

CNN
2000-2030, 2300-2330 World Business Today – a joint FT/CNN production with Grant Perry and Colin Chapman

Super Channel
0830-0900 (Mon) FT East Europe Report – weekly indepth analysis from FTTV
2130-2200 (Tues) Media Europa – what's new in European media business
2130-2200 (Wed) FT Business Weekly - global business report with James Bellini
0830-0900 (Thurs) Media Europe
2130-2200 (Thurs) FT Eastern Europe Report
0830-0900 (Fri) FT Business Weekly

Sky News
0130-0200 (Mon), 2130-2200 (Thurs), 0530-0600 (Fri) FT Business Weekly

SATURDAY

CNN
0900-0930 World Business This Week - a joint FT/CNN production
1900-1930 World Business This Week

Super Channel
1830-2000 FT Eastern Europe Report

SUNDAY

CNN
1030-1100, 1800-1830 World Business This Week

Super Channel
1800-1830 FT Business Weekly

Sky News
1330-1400, 2030-2100 FT Business Weekly

FINANCIAL TIMES
Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700
Thursday April 23 1992

Teachers and their unions

EASTER is a depressing time of year for parents with children in state schools – and indeed anyone concerned with the UK's education system. One by one, the teachers' unions gather at seaside resorts to hold their annual conferences. Their leaders strut the stage claiming that the education system is in crisis and blaming the government. The delegates bellow from the rostrum that their schools are in terminal decline. Bloodcurdling resolutions are passed threatening strikes if change is not stopped in its tracks.

This year has been no different. The National Union of Teachers has reasserted its opposition to most of the education policies of the Conservative government it must deal with for the next five years. The president of the NASUWT urged his members to challenge the government's education reforms which were bringing "chaos" into the schools. It was left to Mr Peter Smith of the moderate Assistant Masters and Mistresses Association to observe that the "opted-out" grant-maintained schools were here to stay and should be made to work.

Much of these conference proceedings are posturing by activists who are unrepresentative of the teaching profession. Last year's NUT conference, for example, voted to boycott the national testing of seven-year-olds. A ballot of the members who would have had to implement the boycott rejected it by eight to one. A separate ballot of all NUT members also rejected a national campaign against testing by six to one.

Lost sympathy

But the posturing invariably hits the headlines over a bank holiday weekend when news is in short supply. Education is the loser, bad-mouthed by representatives whose behaviour is guaranteed to lose teachers the sympathy of those whose support is most vital – the parents.

A new entrant to the teaching profession might sensibly ask whether there is any need for teaching unions. After all, the creation of an independent teachers' pay review body has ended collective bargaining over pay (and probably done more to improve the pay and status of teachers than any number of resolutions passed in Blackpool or Scarborough). And union influence over local education policy is weakening as more and more schools opt out of the control of local education authorities which often worked in partnership with the unions.

Yet there remains a role for union membership, to provide advice, benefits and representation at work. Such mutual insurance may even be more helpful in this period of flux, as schools increasingly become independent entities managing their budgets under the leadership of the head teacher.

Alliance building

Nor need the benefits of union membership stop at the school gate. A competent union will seek to influence the pay review body with well-argued submissions on behalf of its members. It will lobby policymakers intelligently through the sort of campaigning which has made the Royal College of Nursing such a successful advocate of its members' interests. Above all, it will seek to build an alliance with the parents to advance the cause of education, not to alienate them through mindless militancy which punishes only the children.

To achieve these objectives, teachers need to speak with one voice. The half dozen unions which currently vie for members were founded for an education system which has disappeared: the AMMA, for example, used to represent grammar school teachers; the NASUWT was the union for teachers in secondary moderns. Uniquely in the British trade union movement, there have been no significant moves towards mergers of teaching unions. Yet a powerful and authoritative organisation to represent Britain's teachers is sorely needed.

Now is an ideal time to create such a professional organisation, with a new education secretary taking up office. Mr John Patten looks willing to open the dialogue with teachers which has been missing during the recent spate of necessary reforms. Sadly, the creation of a single voice scarcely features on the unions' agendas. Teachers – and Britain's children – deserve better.

Lessons for bank lemmings

IS THE worst over for hard-hit banks in the debt-laden English-speaking economies? Certainly there is room for guarded optimism in the United States, though less on the basis of this week's buoyant first quarter earnings figures than the improving state of the economy and the longer-term trend in credit ratings. The restoration of bank profitability has long been an implicit goal of Federal Reserve policy and the Fed has already reaped a partial reward in the sense that the ratings of most big commercial banks have not deteriorated further over the past year. Citicorp, admittedly, continues to give the rating agencies the odd twinge. But the overall trend is healthy.

The outlook is far more cloudy in Britain, where membership of the Exchange Rate Mechanism means that monetary policy is singularly insensitive to the problems of the banking system. The clearing banks have the advantage over their US counterparts in a stronger initial capital position. But their problems in property lending pose a growing threat – witness the troubles of Olympia & York, Heron International and Speyhawk, which emerged immediately after provisions and write-offs had been struck for 1991.

Nor is it likely to end there. In the recessions of the mid-1970s and early 1980s, interest rates on property company debt were negative. This time they are positive, which means that interest is often rolling up on debts that now exceed depressed asset values. It thus becomes harder to bridge the gap between debt and asset values over time. So the banks will be under far greater pressure to foreclose; and the pressure will be further increased by the knowledge that the big investment institutions are very reluctant buyers, in contrast to the position in the second half of the 1970s.

Debt overhang

The overhang of £40bn of bank debt in property has been turning progressively into equity over the past two years. Acknowledging that fact implies a more substantial write-off, in a period of disinflation, than would have been necessary in the two preceding recessions.

Mr John Reed, chairman of Citicorp, once described bank lending as "information on the move". The experience of banks across the globe in real estate looks more like a case of lemmings on the move, despite all the information. A more charitable explanation is a familiar one that bears repeating. The rush into real estate was really the natural response of a banking system that was required to become more competitive because of deregulation at precisely the moment that its credit rating collapsed, after the Mexican default of 1982.

Risky adventures

The banking system's best customers found that they could bypass the banks by raising money directly from the markets. Consequently the banks found themselves short of good borrowers. They turned to real estate, leveraged buy-outs and other high-risk adventures to plug that gap.

The disastrous outcome raises important questions about the nature of banking and of banking regulation. It is striking, for example, that the damage was far worse in those countries with sophisticated financial systems. Clever risk pricing and asset management strategies provided little protection against loss. Nor did the supervisory efforts of central bankers. Nor, again, did capital. Dozens of New England savings and loans that turned to the stock market for equity capital in the 1980s acquired equity-asset ratios of more than 20 per cent. It did not protect them from disaster in the real estate bubble. And the Anglo-Saxon countries that supposedly have far greater accountability to shareholders appear to have suffered more than those in continental Europe where such accountability is minimal.

That underlines the inherent tension within banking systems that are required both to satisfy the demands of profit-maximisation and to play a wider role in monetary policy and payments services. It also points to the pressing need for more research into the problem of reconciling stability with efficiency in the banking system. The English-speaking economies may have felt the biggest shocks of deregulation, but that underlying conundrum is a long way from being resolved.

Final uphill push for the treaty

The EC should forge ahead before Maastricht is ratified, writes David Buchan

The odds are that the Maastricht treaty on European political and monetary union will come into force on January 1 1993, if only because no country will want to risk incurring the wrath of its 11 EC partners by bringing down the whole temple.

But this year the treaty must run the gauntlet of ratification by each of the 12 states. The ratification, which got under way yesterday when the French cabinet adopted its draft revision of France's constitution, was always going to be a tortuous business. But it has been made more tense by the emergence of an anti-Maastricht backlash in countries such as Denmark and Germany, and by the way the treaty's fortunes have become entangled with extraneous domestic factors such as the political fate of President François Mitterrand and the Socialists in France, and the ferocious abortion debate in Ireland.

The change in mood from the euphoria of last December's Maastricht summit stems not from second, but first, thoughts. Incredibly, many countries are only now thinking through the implications of what their leaders agreed last year. It is now too late to make modifications; in practical, if not legal, terms, the only option for national parliaments is to vote the treaty up or down, without amendment.

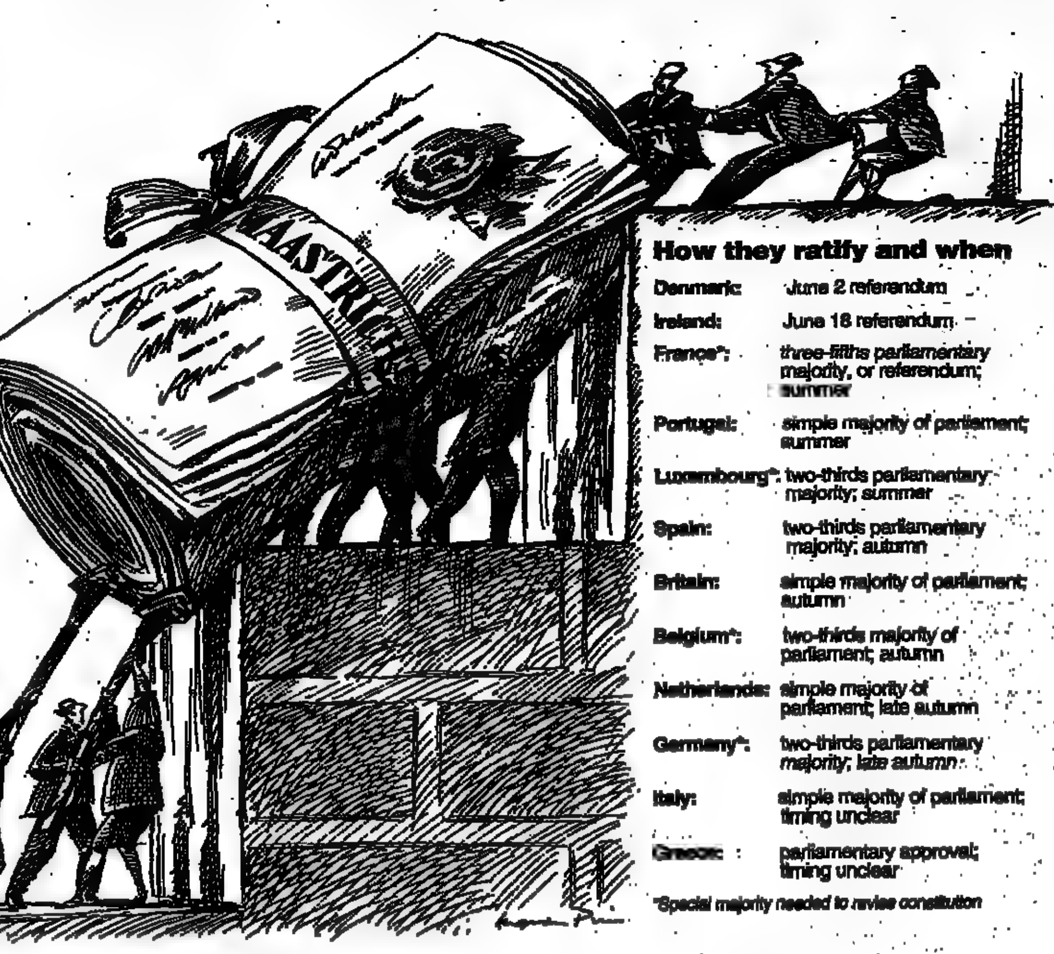
Mr Jacques Delors, the European commission president, had seemed perverse when on several occasions in the long run-up to the Maastricht agreement he pointedly praised the UK as the only country conducting a national debate about the implications of political and monetary union. At the time, the UK debate seemed to create only headaches for Brussels. In retrospect, Mr Delors was right.

"It was far better to have done the arguing before, rather than after, the treaty was signed," said a Delors aide this week. The proof is that there was hardly a whisper about Maastricht, or EC issues, during the UK election, and that the UK, having won its Maastricht opt-outs on monetary and social policy, is one of the few countries where the treaty's ratification seems assured.

By contrast, many Germans are only now complaining about their hallowed D-Mark being replaced by the ersatz Ecu. German touchiness on this was farcically illustrated recently when the European Commission had to reprint its German version of the Maastricht treaty. The initial print-run referred to the "Ecu" as a word, when Bonn and most other EC governments had wanted their national language versions to refer to the "ECU", making it clear that this was only an acronym for European Currency Unit and not necessarily the eventual name of the single currency.

In Germany, and to a lesser extent in Belgium, regional governments are unhappy that Maastricht may detract from their powers. There is growing unease, particularly in France and Luxembourg, about the Maastricht provision giving all EC citizens the right to vote, and stand as candidates, in local and European parliamentary elections across the Community. And, as if Maastricht were not hard enough to get ratified on its own terms, Spain is toying with the idea of making ratification conditional on the north's agreeing to the Delors proposals for more "cohesion" funding for the south.

Further complicating the picture are the losses that governing parties in France, Italy, Germany and Belgium have suffered in recent elections. While these may not in all cases endanger ratification, they may compromise the treaty's implementation. Weak and unstable governments are not best placed to impose the economic austerity needed to fit their countries for monetary union. The bond markets have caught a whiff of this pessimism. The interest rate gap between Ecu and D-Mark bonds, which had narrowed after the Maastricht agreement, has widened again in the past month.



How they ratify and when

Denmark:	June 2 referendum
Ireland:	June 18 referendum
France*:	three-fifths parliamentary majority, or referendum; summer
Portugal:	simple majority of parliament; summer
Luxembourg*:	two-thirds parliamentary majority; summer
Spain:	two-thirds parliamentary majority; autumn
Britain:	simple majority of parliament; autumn
Belgium*:	two-thirds majority of parliament; autumn
Netherlands:	simple majority of parliament; late autumn
Germany*:	two-thirds parliamentary majority; late autumn
Italy:	simple majority of parliament; timing unclear
Greece:	parliamentary approval; timing unclear

*Special majority needed to revise constitution

There are four big danger points:

● One of the highest hurdles is also the first – the June 2 referendum on the treaty in Denmark, the result of which will bind the Copenhagen parliament. After weeks of polls showing a majority of Danes against Maastricht, the tide may be turning, with a Gallup poll last Saturday showing a 37-32 per cent split in favour. A similar about-turn in public opinion happened just before Denmark's 1986 referendum on the Single European Act and, in contrast to six years ago, all the big political parties and newspapers back the latest EC integration move. But the polls also show many Danes undecided on, or opposed to, many aspects of Maastricht – its currency, defence, foreign and internal security provisions. As one senior Commission official put it, the Danish debate on Maastricht "is not confined to any precise item that we could try to defuse".

● In contrast, the June 18 referendum in Ireland (the only other EC state set to put Maastricht to a plebiscite) seems to turn on just one issue. Ireland put into the Maastricht treaty a formal protocol, stating that nothing in it would negate its constitutional ban on abortion. But a subsequent row over a 14-year-old rape victim's wish for an abortion in the UK led a majority of Irish supreme court judges to state that, in general, the rights of an unborn child took precedence over the EC-enshrined right to travel.

To offset this ruling, Dublin wanted to add one sentence to the protocol, upholding its citizens' right to travel and receive information on services (ie, abortion) legally available elsewhere in the EC. Fearful of opening a Pandora's Box of revisionist demands, Dublin's EC partners refused to allow even this tiny tampering with the treaty, but have now agreed to an interpretative "declaration" saying the same thing. In addition, the Irish government has promised a separate abortion referendum later this year.

● France has the most complex procedure for revising its constitution, partly because President Mitterrand has a choice. The revision can either be done by a three-fifths majority of both chambers meeting in joint session at Versailles, or by referendum (which Mr Mitterrand desperately wants to avoid lest it pronounce a vote of no-confidence in himself).

Much of the French debate so far has centred on the provision of rights to foreigners to vote in local, but not national, elections. France has a problem in that its local officials also have a national executive and electoral role; mayors in its smaller towns have a police function, which has national implications, while regional councillors form part of the electoral college that chooses its Senate. But Brussels officials believe the problem is soluble. Maastricht gives the 12 states an extra year to decide, by unanimity, on the exact form of the new voting rights, and there is plenty of scope for exceptions, as the Commission proposed in a 1990 draft directive. This would, for instance, give special leeway to Luxembourg, which has some communes where citizens from other EC states are in a near-majority.

● Germany's ratification decision will probably come last, around December, and will be the most eagerly awaited, because of the country's central role in monetary union. It looks as though Chancellor Helmut Kohl will eventually get the co-operation from the SPD opposition that he needs, both to revise the constitution (by two-thirds of both houses) and to ratify Maastricht (requiring a simple majority, which he does not command in the SPD-controlled Bundesrat).

But Mr Kohl will have to make concessions. These are likely to include giving the 16 Länder that make up the Bundesrat a veto over any future transfer of their powers elsewhere, whether to Brussels or to Bonn, and promising a government report by 1996 on the fitness of countries to enter monetary union.

It is a measure of how important Germany is to monetary union that Brussels fears a non-binding report by Bonn in four years on monetary union more than the British opt-out clause already enshrined in the Maastricht treaty. "Letting the German parliament take a second look at monetary union could remove the dynamism from the process," moans one EC official.

This is because Maastricht still leaves much scope for argument about how far member states have to bring their spending, debt and inflation to common levels before they can enter monetary union, set for 1997 or at the latest 1999. States are supposed to show a "substantial and continuous" decline in their yearly public deficit to no more than 3 per cent of gross domestic product, and a reduction in public debt "at a satisfactory pace" to no more than 60 per cent of GDP. Germany is likely to interpret "substantial" and "satisfactory" differently from many of its partners, particularly those from among the weaker southern economies.

But that is an argument for the future. What is striking about the "convergence" discussions among EC finance ministers this year is that they seem to be taking the Maastricht criteria seriously, even before ratification. "What Maastricht does is establish a time frame of five to six years in which member states have to make a real effort," says Mr Henning Christophersen, the EC economic affairs commissioner with responsibility for shepherding countries down the convergence path. This may seem quite a long time. But countries such as Greece or Portugal, with double-digit inflation, or Ireland, Italy and Belgium, with debt that matches or exceeds their GDP, cannot afford to delay action until they see whether Maastricht gets a final thumbs up or down by the end of this year.

So, one by one governments are putting forward "convergence" plans for discussion with their EC partners in Brussels. The Ecofin (finance ministers) Council discussed Italy's convergence plan last November, Portugal's in December and Ireland's in February; it will probably discuss Germany's next month, Spain's in June and the Netherlands' plan in July or September. Britain's turn will come early next year, after its forthcoming EC presidency. It is too early to know whether this form of peer pressure influences governments, but it is not too early to try it, given the rigorous goals and timetable set out in the Maastricht treaty.

The Community is having to forge ahead this summer with other items on its post-Maastricht agenda, such as trying to agree a financial framework for 1993-97, drawing up a strategy for taking in new members and planning how to operate the "common foreign and security policy" that Maastricht has committed it to. In part, this reflects a basic optimism that the treaty will still be ratified. But in truth, Brussels and the member states have no option but to act as though Maastricht has already been ratified, and to get on with their crowded agenda.

BOOK REVIEW

A century in singles

THE BRITISH CONSTITUTION NOW
By Ferdinand Mount
Heinemann £18.50. 289 pages

If you like puzzles, study the following sentences and guess whose passionate hand underlined the words printed in italics. Here goes: "... an American *can know that he has certain individual rights which stand above ordinary laws*, things that he cannot be made to submit to by any law ... *It is the medieval doctrine over again, a supreme law that overrules the law-making of men*, but with the written word of the Constitution in place of the uncertain theories of Natural Law."

Not a clue? The extract is from Lord Radcliffe's 1951 Reith lectures, entitled The Problem of Power. Radcliffe argued that power could be safe only under certain conditions – conditions which were increasingly unlikely to be found in Britain. A copy of the book was passed from its original owner to Ferdinand Mount in the early 1980s. Now try this second extract. Again, the italics represent underlined words. Alluding to the separation of powers, Radcliffe argues that James Madison, one of the US constitution's founding fathers, "starts, of course, with the ... assumption that *the very definition of tyranny consists in accumulating all powers in the same hand* ..." Still no idea? One more: "With ... single-chamber government and with executive and legislative combined, *the security of what used to be called constitutional rights is a frail thing*."

The underliner is, we are told, Mrs Margaret Thatcher. She gave the paperback to the author, commending in particular the passages she had marked. "I mention all this," writes Mr Mount, who served as head of Mrs Thatcher's policy unit from 1982 to 1984, "to demonstrate that the most robust Tory of our times ... was painfully aware of how vulnerable our institutions were and of how the old checks and balances, rudimentary and informal as they might have been, had been eroded and debased". He might, but does not, draw the contrast with the present public position of Mr John Major, whose remarks during the recent election campaign gave the impression that he finds every detail of Britain's constitution absolutely perfect.

Mr Major would do us a favour if he read this book. It is not a reformer's rant. It is rooted in the conservative tradition. To put his mind at rest, he may be assured that Mr Mount is deeply sceptical of proportional representation, and rejects any grand settlement. He talks instead of a slow aggregation of piecemeal improvements, spread over perhaps a decade or more. As the prime minister might put it, the trick is to reach your century in singles.

Mr Mount reviews the history of reform. He also debunks the notion of absolute parliamentary sovereignty in a unitary state. This is inherent in the works of the "three great simplifiers" of modern British constitutional theory – Walter Bagehot, A V Dicey and Sir Ivor Jennings. Their writings inform those who defend the existing system, one of whom is the education secretary, Mr John Patten. The author gives him short shrift: "'All power to parliament' is thus Mr Patten's cry, faintly but unnervingly reminiscent of Lenin's 'All power to the Soviets' – and not without the same fraudulence, since both slogans mean in effect 'All power to the government or governing party.'"

In truth, it is not quite so bad as that. Mr Mount's account of how power is actually exercised tells a gentler story. He finds, against the conventional wisdom, that the monarchy has a useful future constitutional role, if only as a leader of opinion. The cabinet is not the source of all power; the prime minister is not omnipotent. Government departments are baronial estates; the administration is the product of baronial assertions of power, overseen by a strong Downing Street.

As to the likely development of the constitution, Mr Mount distinguishes between what is already on the way with what will probably come in the middle and further distances. The judiciary, whose compliant acceptance of the government's authority in my view helped to sustain the elective dictatorship, is shown by Mr Mount to be coming back to life, at least as protector of the individual. Within parliament, we see "a gradual but still timid peeping forth of backbenchers' confidence"; in consequence, select committees, "look increasingly like a fixture". The latter's response to the "ever growing bulk" of European legislation will determine parliament's future as "an effective critical forum".

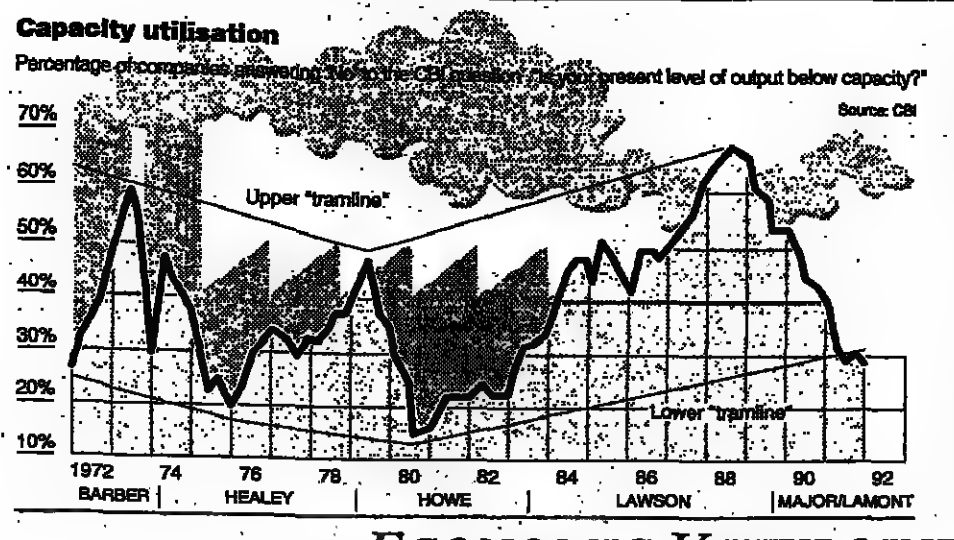
He sees as soon likely the incorporation into UK law of the European convention on human rights and the establishment of a Scottish assembly "on minimalist lines". In the longer term, he postulates a constitutional entrenchment law, a supreme court and a fixed term of, say, four years for future parliaments. Clearly, this is no revolutionary manifesto, but it sounds more attainable than any such. It is written with light grace and good humour. You do not have to be a nut about the constitution to enjoy reading it. You may become one if you do.

Joe Rogaly

AUSTIN REED

Classic English tailored, pure new wool blazer £185 from the Austin Reed International Collection

AUSTIN REED
Regent Street, London and Nationwide
For details of your nearest branch and to receive a copy of our Spring/Summer brochure telephone 071-494 0428



UK growth projections

Indices 1990=100

	OUTPUT	CAPACITY	GAP (% of GDP)
1990	100	99	+1
1991	97½	101½	−4
1992	98½	104	−5½
1993	101½	106½	−5
1994	105	109	−4
1995	108½	111½	−3
1996	112½	114½	−2

Treasury assumptions

ECONOMIC VIEWPOINT

Plenty of headroom in the UK economy

By Samuel Brittan

During the recent British election campaign, there was a recondite *form of* activity indulged in by many in the City of London. This was to make shock horror predictions of the state of the British economy which either party would inherit. If I single out Coopers & Lybrand Deloitte, it is not because it was more alarmist than others, but because it took the trouble to spell out its forebodings in The Fiscal Reality Gap (March 1992).

Coopers' shock horror scenario was that by 1996, a Conservative government would have to raise income tax by 13p in the pound, on the illustrative assumption that the Conservatives intended to return to a balanced budget by 1996. If this pessimism had been based on worries about public spending, it would have been understandable. For not all the very large deficit reflects the automatic effects of recession.

But Coopers did not make public spending its central concern. Indeed, its pessimism was almost entirely based on the charge that the Treasury had overestimated likely economic *growth. On the contrary, I* think it has underestimated it, not necessarily for this year or next, but over the 1990s.

The besetting sin of would-be down-to-earth types is that they always project the present and the recent past and forget that the economy moves in cycles of varying lengths, and that therefore neither booms nor slumps go on forever.

Next week, we will have a new Confederation of British Industry Quarterly Trends Survey which contains the question: "Is your present level of *output below capacity?"* The last survey showed 70 per cent below capacity on this criterion. Yet despite this slack, the Treasury projections show output rising only slowly off the bottom of the tramlines, with only a gradual reduction in the *amount of slack. This projec*tion may be right or wrong: but it hardly shows much over-optimism. The implication is also that unemployment will continue to rise, if at a slower speed until, say, this winter, and will thereafter improve at a snail's pace.

The adjoining back-of-the-envelope table accepts the official assumption that the trend growth of real gross domestic product is now some 2¼ per cent a year. Indeed, excluding the North Sea contribution, it is 2¾ per cent. The estimate looks plausible in view of the average 2 per cent a year rise achieved in the first Thatcher decade and the signs that there was some underlying improvement in the course of the period.

I would shelve narrow ERM bands for the UK until the German interest rate outlook is clearer

Another assumption in the table is that the economy was working at a sustainable or equilibrium rate around the final quarter of 1990. The amount of slack has *had to increase temporarily in* order to get the inflation rate down.

The table plots the Treasury's output projections alongside the implicit path of capacity. It shows a large margin of slack persisting throughout much of the 1990s. It is not until 1994 that there is substantially less unused capacity than today; and even by 1996 there is still some excess slack. It is worth remembering that a margin of slack of 5 per cent of GDP amounts to £30bn a year of lost output and a corre*sponding number of unem*ployed or discouraged workers.

What is there to be cheerful about in this outlook, which might represent a platform from which Bryan Gould could launch his attack on the cross-bench consensus on macro-eco*nomic policy?*

The optimism lies in the headroom that is provided for non-inflationary growth. There is ample room for the economy to grow by even more than the 3 to 3¼ per cent rates projected by the Treasury from 1993 onwards, while still maintaining some downward pressure on inflation and without running into capacity barriers. It is a much better base both politically and fiscally than starting at the top of a boom.

What could prevent reasonably rapid growth from being *attained? The cliché answer is* that the UK has been running a current payments deficit in a recession, which is supposed to be very naughty. The gloomsters have for the most part not noticed that the Central Statistical Office has revised the 1991 current deficit downwards to £4.4bn, or well under 1 per cent of GDP. And while the world economic slow*down came too late to blame* for the UK recession, it can certainly be blamed for the failure of exports to offset more than a modest amount of the turndown in demand at home.

The extremely low interest rate differential between Britain and Germany does not suggest either expected currency depreciation or any expected difficulty in financing the payments deficit – if there is one. As Mr Gladstone realised, if the government's own Budget is in order, the chancellor does not need to know what *the balance of payments is.*

The real cause for concern is not the state of the British economy, but worldwide worries about credit retrenchment, the state of the banking system, and so on. The centre of these worries is not Britain, nor even the US, but now Japan, the country we were all told to emulate. But it really is *too parochial to regard this* syndrome *of* problems as a weakness for the British economy, which suffers from them less than many others do.

Indeed, with a low and declining inflation rate, a much improved underlying productivity trend and a strong currency, Britain is in a reasonable position to ride out storms and take advantage of opportunities. In this connection, Michael Saunders of Salomon Brothers has performed a service by showing that an upward blip is likely in the RPI which may only just miss 5 per cent this May. The blip will also affect the so-called underlying rate. But the true core rate, which omits a larger number of erratic items, will continue to fall – perhaps towards 2 per cent next year.

* * *

I would (as an ERM supporter who would like to see an eventual single European currency) shelve any attempt to narrow the UK's ERM bands from 6 per cent to the normal 2¼ per cent this year. There is obviously more scope for Britain to have moderately different interest rates from Germany's with wide bands than with narrow ones, provided that there is a general atmosphere of confidence in the currency, which *is more likely after* the election.

With narrow bands, either the UK has to stick with German-type interest rates; or it has to do something very dramatic, such as leave the ERM, or at the other extreme, *try to replace Germany as the anchor* country of the system. With wider margins, these choices can be postponed and more time provided for Germany to overcome its unification problems and restore more normal interest rates.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Deals take on different perspectives

From Mr Harry L Freeman.

Sir, Your article "US under attack by Brussels" (April 10) includes the allegation by the EC that the US is tending to reach for bilateral deals with such countries as Japan.

Wonderfully juxtaposed in the column just to the left of this story is "EC asks Japan to cut exports of cars by 100,000". This would appear to be a bilateral deal in the making initiated by the EC with Japan.

Speaking of the "pot calling the kettle black. . ."

Harry L Freeman,
The Freeman Company,
1101 Pennsylvania Avenue, NW,
Suite 410,
Washington DC, US

Co-operative money system better for world economy

From Heather Gibson and Euclid Tsakalotos.

Sir, The leader writers of the Financial Times nowadays are clearly not economic historians. And we do not mean 19th-century economic history but that of the 1980s. The leader "Chilly spring in Washington" (April 22) rejoiced in the end of the exchange rate co-ordinating role of the G7 summits, arguing that a healthy world economic system requires merely that all the participat*ing countries put their own* houses in order.

Had the G7 taken your advice in the second half of the 1980s, it is very likely that the world economy would be even more on a "knife-edge" than it is already. In brief, a rapidly depreciating dollar could have led to high interest rates and deflation in the US which could have got out of control given the precarious position of the financial system and the existence of a highly-leveraged corporate sector – the so-called "hard-landing scenario".

In general, we have many examples where a co-operative international monetary system, or one that has been happy to follow a hegemonic leader, has been an important ingredient in a prosperous and dynamic world economy. We also have evidence of the 1930s and the period 1974-85 when, *many economists consider*, the lack of such co-operation was an important ingredient in poor economic performance. A little economic history can go a long way.

Heather Gibson,
Euclid Tsakalotos,
lecturers in economics,
Keynes College,
University of Kent at Canterbury,
Canterbury, Kent CT2 7NP

Mercury's directory service

From Mr Alistair Grieve.

Sir, I am sorry that Barrie Bain (Letters, April 18) had difficulty with city telephone dialling codes for the former Soviet Union. But if he had telephoned Mercury's international directory assistance service (available to Mercury customers by dialling 153), help and advice would have been readily available.

Mercury now carries more than one-third of the UK's telephone traffic to the Commonwealth of Independent States, including all the area codes *established under the former* Soviet Union. To help satisfy the rapidly growing demand and improve the erratic quality of their international telephone service, the Russian republic is introducing competition, a move which we at Mercury enthusiastically support. This has resulted in some extra area codes being allocated to newly licenced carriers. Mercury is opening service with these organisations as they become operational.

One of these new carriers is Metropolitan Communications, in which Mercury's parent company, Cable and Wireless, has a significant interest (FT Companies and Markets: "C&W in joint venture to provide Russian networks", April 15).

You may rest assured that the Cable and Wireless Group is taking CIS communications very seriously indeed.

Alistair Grieve,
general manager,
international business group,
Mercury Communications,
New Mercury House,
26 Red Lion Square,
London WC1R 4HQ

Ignored and late reports

From Mr E H Thomas.

Sir, The report, "Words that spell business failure" (April 18), makes interesting reading.

Perhaps the researchers could now consider the implications of delays in the publication of interim and annual company reports – in particular the period of delay which should be regarded as critical – and the apparent sudden decision of a company to extend its accounting period.

E H Thomas,
20 Brancaster Lane,
Purley, Surrey CR8 1HF

From C C Davis.

Sir, While I have not seen a copy of the paper produced by the Bristol Business School at the recent BAA annual conference, I Was surprised to read Andrew Jack's report, "City analysts 'largely ignore' annual reports (April 16) .

Through its examinations, the SIA is widely recognised as having led the way in raising analytical standards in the investment community and the *interpretation of reports and* accounts is certainly a focal point in its examination syllabus.

It may also be noted that a recent Mori survey of City opinion confirmed once again that analysts rely more on company reports and accounts than any other material and this includes personal interviews and presentations etc. What individual analysts may admittedly not be so well qualified to do is to scrutinise accounts for so-called "bad" accounting practice; however, this is one of the reasons why, on their behalf, the society is *making its contribution to the* work of those bodies committed to seeing an improvement.

C C Davis,
chairman,
Society of Investment Analysts
211-213 High Street,
Bromley, Kent BR1 1NY

View of Baltic Exchange bombing aftermath 'callous'

From Mr Peter K Spencer.

Sir, Your Observer column story ("Home thoughts", April 16) dealing with the Baltic Exchange bomb outrage is noteworthy only for its callousness and ignorance.

First, there has been far more "fuss" about an employee of the exchange who was murdered while serving what you refer to as a hangover establishment, and another member of the exchange who is lying in hospital with horrific injuries, than about the building itself.

If Observer had any knowledge at all about the Baltic he would be aware that the industry based around it is primarily concerned with invisible exports and nothing at all to do with Britain ruling anything.

The personal contacts and disciplinary codes of a trading floor are what makes the exchange unique and help it maintain its position as the most important shipping centre in the world. A telephone and computer alone contribute nothing to the confidence and trust among individuals that enable the Baltic to keep international business in London that would otherwise go elsewhere.

Peter K Spencer,
director,
Galbraith's,
Shackleton House,
4 Battle Bridge Lane,
London SE1 2HY

OBSERVER

Rocard's work ethic

■ It's back to the drawing board for French ex-premier Michel Rocard. Eleven months after being replaced by the ill-fated Edith Cresson, he can be found at his old workplace, the Ministry of Finance, drawing up a report on the implications for France of a single European currency.

It may seem odd that a former prime minister should need such humdrum employment. But in France a premier leaving office keeps the salary (FFr 40,000 per month plus another FFr 17,000 in expenses) for only six months longer, and gets no pension. Those six months expired last November, when Rocard began work on the report.

Fortunately he, like many *other leading* politicians, is a senior civil servant by origin, which provides a substantial safety net. He is an Inspecteur Général des Finances, which provides FFr 30,000 monthly. According to his aides, he felt he couldn't accept the money without working for it, and so spends several days a week in the office.

That's perhaps because he's a protestant. Not all France's erstwhile Inspecteurs Généraux des Finances are as diligent.

Pitman's risk

■ It's a touch ironic for the chairman of the Hongkong Bank to be warning Lloyds Bank not to try and disrupt his cosy bid for the Midland. After all, it wasn't long ago that his immediate predecessor, Sir Michael Sandberg, upset the Bank of England by launching an unwelcome bid for the Royal Bank of Scotland.

Had it not been for Sandberg's impetuous intervention, the Royal Bank would now be happily married to Standard Chartered, and Britain's banking system would be a much tidier place. The net result was that the Monopolies and Mergers Commission turned down both bids rather than risk snubbing the Old Lady's governor by allowing Sandberg to win a hostile auction.

Although the days when a UK bank could look to the Bank of England to shoo away an unwelcome predator are almost certainly over, personalities could play just as big a role in the current shadow-boxing over Midland's future.

Lloyds' chief executive Brian Pitman is not cast in the same mould as the headstrong Sandberg, who went on to advise Alan Bond and sit on the board of Polly Peck after retiring from Hongkong and Shanghai.

True, Pitman is a bit of a maverick and normally gets what he wants. But he is not in as powerful a position as Sandberg was at the time of the RBS bid. Moreover, since he doesn't have the same dominance over his board, he'll need to present his case very forcefully to convince a majority of the non-executive directors led by Sir Jeremy Morse, one of the ablest bankers around.

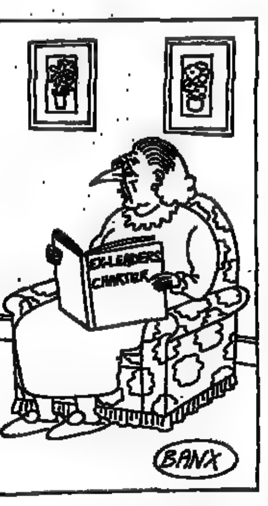
If Pitman fails to win the battle, will the firing squad be called?

Bain's verdict

■ Meanwhile, yesterday's letter in the FT on the same subject from Professor Andrew Bain rang a bell. As an old Midland Bank hand – he was group economic adviser – he could be expected to peddle the party line on how terrible a Lloyds Bank takeover would be.

Nevertheless, as he has sat on both the Wilson committee on the City and the Monopolies and Mergers Commission, his views should still command respect. Indeed, he resigned from the MMC after the Government over-ruled its decision turning down Charter's bid for Anderson Strathclyde.

Bain is convinced that a Lloyds' bid would be referred to the MMC. The Office of Fair Trading would lose all credibility if it wasn't. He's also convinced that the MMC would turn it down.



Bearring up

■ Compared with Chernobyl, Chelyabinsk has the added disadvantage that its nuclear disaster was kept hushed up by the ex-Soviet authorities. And the fact that, over 30 years later, it is now receiving help owes much to Lady Gillian Braithwaite, wife of British ambassador Sir Rodric, who returns with him from Russia next month when he becomes foreign affairs adviser to the Prime Minister.

Besides having stood up to be counted in the tank-ringed Russian parliament building on the critical night of August 20, she recently joined Lady Ellen Dahrendorf, Lady Valerie Solti and others in founding Bearr – the British Emergency Aid in Russia and the Republics Trust.

It has already wheedled six tonnes of medicines out of UK-based pharmaceutical companies and sent them to Chelyabinsk, still suffering *from the effects of* severe irradiation. Indeed, its main hospital was within a day or so of completely running out of medical supplies when the Bearr truck arrived with enough to eke out another two months.

While the trust is working to send more, there seems no doubt that Russia will lose a resourceful resident with Lady Braithwaite's departure. Still, perhaps she'll henceforth be close enough to Britain's cabinet to give off-stage help to the country she's leaving.

Marked down

■ Oh, these back-biting management gurus! The evangelistic Tom Peters gets a sharp nip from American organisational-politics expert Jeffrey Pfeffer in his latest book, Managing with Power.

Apparently, when Peters was working on the mega-selling In Search of Excellence a dozen years ago, he asked to borrow a previous book on politicking by Pfeffer, who handed over his personal copy. When it came back, he found that Peters had disagreed so strongly with some of its points that he had scribbled in the margins.

In particular, against passages detailing the Machiavellian politics *executives get up to in* companies, he'd written: "Not in *effective* organisations."

Perhaps that explains why several of Peters's "excellent" companies have since proved otherwise, comments Pfeffer.

This announcement appears as a matter of record only.

SITEX®

£14,500,000

Management Buy-out of
Sitex Security Products Limited

PHILDREW VENTURES
structured, led and arranged the
financing of this transaction

Equity provided by:
PHILDREW VENTURES

Mezzanine provided by:
Intermediate Capital Group

Debt Facilities provided by:
Bank of Scotland

PHILDREW VENTURES
Triton Court, 14 Finsbury Square, London EC2A 1PD
Telephone: 071-628 6366
Phildrew Ventures is a member of IMRO and an associate of UBS Asset Management (UK) Ltd.

SPECIALISTS IN PROTECTING AND MANAGING YOUR AVIATION INTERESTS – WORLDWIDE.
THE INTERNATIONAL BUREAU OF AVIATION
IBA

FINANCIAL TIMES
Thursday April 23 1992

TRAFALGAR HOUSE
CONSTRUCTION MANAGEMENT
TELEPHONE 081 689 2266
Single source responsibility

Hopes rise for trade round after Delors and Bush meet

By Jurek Martin and Nancy Dunne in Washington

THE US and European Community yesterday committed themselves to an early conclusion of the Uruguay Round of world trade talks after a White House meeting between President George Bush, Mr Jacques Delors, president of the EC Commission, and Mr Anibal Cavaco Silva, the prime minister of Portugal, current Community president.

Although there was no apparent breakthough on the stalemate over agriculture trade, Mr Bush said both sides had exchanged "new ideas" in an attempt to bridge the gap between their two positions. There is no topic "more crucial" to US-EC relations than the Uruguay Round, he said. "The process will go on."

There was no immediate clarification of the "new ideas." However, Mr Bush said he is now convinced that the EC is committed to an early settlement.

In a briefing after the formal statement, a US official said Mr Bush had stressed his intention not to let the US election stand in the way of a Gatt agreement later this year.

Consultations will begin immediately over the "new ideas" on agriculture. Failure to reach agreement over agriculture will put the Round at the top of the agenda for the summit in Munich of the Group of Seven leading industrial nations, the official said. This is something German Chancellor Helmut Kohl has hoped to avoid.

Mr Delors arrived in Washington yesterday saying he had "a modest proposal" designed to produce a "modest breakthrough" to the deadlock preventing conclusion of the Uruguay Round.

Speaking ahead of the talks, Mr Delors said the Community was ready to make every effort to bring about an "equitable" solution, but he added: "We are not ready to pay any price to satisfy the demands of the US."

US officials have generally doubted that an agreement can be reached without concessions from the EC on agricultural subsidies and they have said they do not think Mr Delors has been able to forge a European consensus that he can present to the president.

However, while not encouraging speculation of a compromise, the US side had apparently not abandoned hope. A senior Washington official this week alluded for the first time to a suggested scenario, which would allow the EC to continue certain farm subsidies for about six years.

Mr Bush said in advance of the talks that "the US must not be asked to bear the entire burden of compromise when it comes to hammering out a successful conclusion of the Gatt round".

Alison Smith in London writes: The UK government's continuing concern was publicly underlined yesterday when Mr Richard Needham, the trade minister, said a deal was "crucial". If there was still no agreement by the time Britain took over the European Community presidency in July, it would be at the top of the agenda for the UK presidency, he said.

Mr John Major, the prime minister, has been active in trying to promote an early agreement on the Gatt round, frequently raising the issue in his regular telephone contacts with Mr Kohl.

Party revolt upsets Spanish plan to cut back on benefits

By Peter Bruce in Madrid

MR CARLOS SOLCHAGA, the Spanish finance minister, is facing an embarrassing political reversal after a rebellion in the ruling Socialist party against unemployment benefit cuts he hurriedly decreed earlier this month.

Faced with mounting trade union threats against the measures, which are part of a five-year convergence plan designed by Mr Solchaga to cut public spending ahead of European Community economic and monetary union (Emu), the Socialist party executive has decided not to rubber stamp an enabling decree gazetted two weeks ago when it reaches parliament on Thursday of next week.

Even though the eventual changes may be minor, the Socialists have effectively decided to submit the decree to a lengthy parliamentary legislative process – which Mr Solchaga hoped to avoid – as a prelude to changing the planned cuts. In addition, the party has invited the two main trade unions, the socialist UGT and the communist CCOO, to discuss the decree, threatening Mr Solchaga's insistence that the convergence plan could not be negotiated.

Mr Rodrigo Rato, parliamentary leader of the main opposition party, the conservative Partido Popular, said Mr Solchaga would have to resign if his non-negotiable plan was to be altered. "The decree was passed to lend a sense of urgency to the cuts," he said, "and if the minister now finds his own party is not backing him he loses all credibility. If he cannot make a decree stick, why should anyone believe the rest of the plan?"

The role of Mr Félipe Gonzalez, the prime minister, in the party's decision remained unclear. He had originally appeared to back Mr Solchaga, whose plan would have reduced unemployment benefits and doubled the amount of time in work required to qualify for them. But Mr Gonzalez, who is also party leader, attended the executive meeting.

Terry Kirk

Finance minister Carlos Solchaga: embarrassing reverse

The party, still largely controlled by its left wing, has been horrified at union threats to mobilise opinion against the measures. The UGT has been threatening a general strike after the summer.

The credibility of the convergence plan is crucial to Madrid because it is designed to impress upon Spain's EC partners that it is serious about trimming its budget deficits ahead of Emu and as a lever with which to wrest so-called cohesion funds from the EC.

In a protocol to the Maastricht Treaty signed last December, the Community agreed to create such a fund for poorer member countries seen to be abiding by strict fiscal rules and much of the Convergence Plan – especially its ambitious promise not to cut infrastructural spending – depends on those funds being made available.

Mr Solchaga said yesterday the $12bn being proposed by the European Commission for cohesion was "a starting point" but not enough. He refused to comment on possible changes to his plan.

French prepare for Maastricht debate, Page 3
Final uphill push for treaty, Page 16

Sterling rises amid hopes on UK recovery

By Peter Marsh and Emma Tucker in London and Peter Norman in Washington

STRONG support for sterling yesterday from Japanese and German investors pushed the pound to its highest close against the D-Mark for more than seven months, amid growing hopes about a UK economic recovery.

The pound gained 1½ pfennigs to close in London at DM2.9325, sparking speculation that the government could safely cut borrowing rates from their current 10.5 per cent by the summer. Against the dollar, sterling gained 1.5 cents, closing in London at $1.7630. The pound's strengthening, which was reflected in a price rise of up to ¼ point in government gilt-edged securities, coincided with publication of two surveys which pointed to a slow upturn.

A quarterly survey of 8,000 companies by the British Chambers of Commerce showed that the service sector resumed growth in the first quarter for the first time since mid-1990, while the rate of decline in manufacturing slowed.

Meanwhile, in Washington the International Monetary Fund said the UK economy was about to move into recovery, although it warned that Britain would have the slowest growth rate this year among the Group of Seven leading industrial countries.

Indications of brighter prospects for the UK after the recession which started around mid-1990 persuaded more international investors to switch funds into sterling.

Sterling's strength failed, however, to produce clear signs from the Bank of England in its money-market operations that it is in any hurry to cut base rates.

Widespread support for the pound, particularly from overseas investors, started after the Conservatives' election victory on April 9. That has been interpreted by many in financial markets as likely to lead to a rise in business and consumer confidence, factors which could help a recovery. The clear-cut nature of the Conservatives' win also held out the prospect of a relatively long period of political stability.

But while sterling climbed to within 2 pfennigs of its central DM2.95 rate in the European exchange rate mechanism, the mood of optimism was not shared by investors on the London stock market, where the FT-SE 100 index closed 18 lower at 2,607.8.

The Chambers of Commerce report warned that total unemployment could climb from 2.65m to 3m by the end of the year and that rapidly falling factory investment during the recession could lead to UK manufacturers lagging behind their foreign rivals, once the the recovery gathered pace. However, export orders continued to grow in both manufacturing and services.

Survey details, Page 11
Plenty of headroom, Page 17
London stock exchange, Page 29
Currencies, Page 36

Guerrillas ready to defend Kabul

Continued from Page 1

ment to administer the country. He said: "I welcome the fact that he has taken a very judicious step in deciding not to march into Kabul except peacefully."

Mr Masood, while dismissing the original UN concept of a neutral interim government, said "we want to talk with others" over the setting up of a transitional Islamic administration.

On the two-hour drive to Charikar, there was virtually no sign of army or paramilitary forces – confirming the complete mujahideen domination of the north of the country. Until 10 days ago this road – which climbs through the Salang pass to the Russian border – was officially controlled by government forces which banned it to foreigners.

We drove through numerous checkpoints manned by both the Jamiat-i-Islam of Mr Masood and by Hezb guerrillas. On either side of the road villages had been flattened by Russian bombing.

Mr Masood, an Islamic revolutionary who seems certain to play a dominant role in postwar Afghan politics, was alert and nimble in his replies to questions. Educated at the Lycée Istiklal in Kabul, he spoke good basic French – but said he had not used it for years.

He was adamant that former President Najibullah should stand trial. "His head belongs to the people of Afghanistan," he said. "It is the people who will decide" his fate, he said. UN efforts to get Najibullah released have so far failed – largely because of opposition with in the northern alliance.

Mr Rashid Dostan, the powerful Uzbek militia commander and an ally of Mr Masood, told Mr Sevan on Tuesday that there was no question of Mr Najibullah being released. Mr Dostan's troops control Kabul airport and are manning the southern defences of the capital.

Fahran Bokharu adds: Mr Sevan yesterday asked Pakistan for help in providing transit for Mr Najibullah into exile – probably in India – according to a senior government official. Mr Najibullah is believed to be hiding in a UN office in Kabul.

The request came only a day after earlier reports that Mr Sevan had failed in his efforts to secure safe passage for Mr Najibullah. Mr Najibullah's hiding place has affected the UN's credibility in the eyes of Mujahideen leaders, western diplomats say.

THE LEX COLUMN

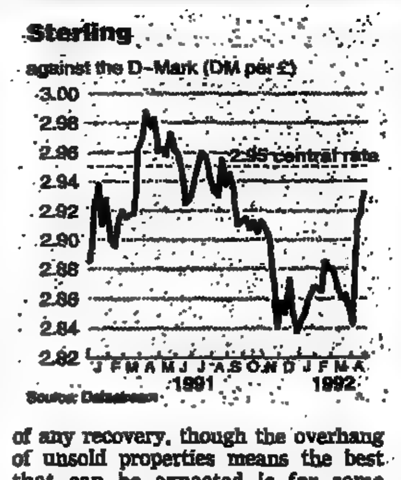
Leaving sterling room

The market's attitude towards sterling has undergone a significant shift in recent days. The first reaction to the election result was to assume that since sterling was so strong, interest rates would be cut. The argument is now reversed: since rates are not apparently going to be cut, sterling deserves to be stronger again. Yesterday, money market rates stood steady at 10.5 per cent while sterling rose above the French franc within the ERM for the first time in a very long while. The market has switched to another preoccupation: whether it is time for sterling to enter the ERM's narrow bands.

The answer is probably not. First, it is too early to be sure whether the post-election enthusiasm for sterling will last. Second, there is still the outside chance of a further tightening in German monetary policy. Third, there is no economic case for making the move in isolation without cutting rates as well. And there is every reason for leaving rates alone until it becomes clear what is going on in the domestic economy. Yesterday's Chambers of Commerce survey depicted a slow and patchy recovery in March. But the money supply figures showed bank lending in March falling on a seasonally adjusted basis for the first time ever. Doubtless, there will be a post-election boomlet to compensate. What happens then is anyone's guess.

As a political question, the move to narrow bands is a different matter. There is an obvious appeal in the UK playing the good European as it assumes the EC presidency in July. But speculating on the timing is scarcely worth the market's while. It would be better advised to reflect that with sterling less than two pfennigs away from its central rate, there is probably not much more to go for.

FT-SE Index: 2607.8 (-18.0)



Abbey National

Abbey National managed to dampen post-election spirits yesterday with its statement that both repossessions and arrears had been worse than it expected so far this year. The market's response in marking down Abbey shares by 3 per cent – and those of leading insurance companies even more sharply, on mortgage indemnity worries – still seems a touch overdone.

Electoral uncertainty meant it was never likely that the first quarter would bring much comfort to the housing market. It will still take a month or two to determine the shape of any recovery, though the overhang of unsold properties means the best that can be expected is for some increase in volume at stable prices.

That is hardly alarming news for the Abbey, though it does underline the limited scope for higher profits this year. Provisions now look likely to be little changed on last year's £155m. The likelihood of delay before the government cuts interest rates reduces the scope for a further widening of interest margins, while there is also not much room for the bank to increase profits on its treasury business, which proved a mainstay of 1991. Still, Abbey can easily afford the progressive dividend policy it promises, even if earnings will not rebound as sharply as those of the other clearers when recovery is finally established. Support for the shares may have been a touch over-enthusiastic since the election, but there is not much reason for them falling further.

UK market

Yesterday's £149m rights issue from TransAtlantic Holdings, while something of a one-off, served to remind the London equity market of the notion that the UK election result has opened the door to a flood of cash calls and takeovers. It might not do to count on it just yet. The UK institutions have formidable claims on their cash flow, ranging from heavy gilt issues to equity offerings from such as Wellcome and GPA. They are likely to react badly to rescue rights issues, or indeed any issues not designed for a specific acquisition. As to the liberating effect of the election, it is worth recalling that Bowater and ECC got successful issues away for specific projects just before the election was called.

As for the supposed flood of takeovers, it is certainly conceivable that foreign purchasers will be influenced at the margin by the prospect of five more years of UK political stability. But to the extent that they do not have UK-style access to equity finance, they are faced with the old problem of dear money and high asset prices. Meanwhile UK companies are still up against the same difficulty which has hampered merger activity for many months: the simple lack of clarity on their own prospects, let alone those of a target company. If the market is looking to bids to keep it going, it may have to wait awhile.

Hanson

Yesterday's £500m eurobond from Hanson is a reminder that the government is not alone in seeking to tap overseas demand for fixed rate sterling paper. Together with the £650m of similar issues launched by other British companies since the election, it suggests an accelerating switch away from bank debt and into stable long-term bond finance. The trend already carries significance for the broader economy. It involves amounts large enough to distort the figures for bank lending to the private sector. Add back bond finance, and credit demand appears less anaemic than the M4 data suggest.

The more immediate problem for finance directors, however, remains that of deciding when fixed rates have fallen far enough to make refinancing worthwhile. The size of the Hanson issue suggests certainty: the fact that it is over only five years suggests the reverse. The situation may be complicated by the absence of a long-term credit rating from either Moody's or Standard & Poor's, but Hanson could reasonably have expected to obtain a longer maturity on a smaller issue. That would have left more room for additional refinancing at even lower rates if, as investors believe, yields are set to drop in the coming months.

Perhaps the company still feels it has plenty of scope given its almost £4bn in medium-term bank borrowing. However, yesterday's issue locks it for five years into a borrowing cost of over 10 per cent. It is hard to see the point of going all out for quantity on those terms, apart from the satisfaction of producing the largest fixed-rate corporate eurobond on record.

RISING STARS

Imagine. An award-winning range of personal computers and graphics workstations, whose power can be upgraded by simply changing an inexpensive processor card.

Designed and built to a quality normally associated with far more expensive brands.

Produced and supplied direct to the end user by a leading manufacturer with a reputation for professional Technical Support, as well as in-depth expertise in connecting computers together.

From a 33MHz 386SX to a mighty 50MHz 486DX, the Elonex PC upgradeable range now offers the kind of performance that most people only dream about.

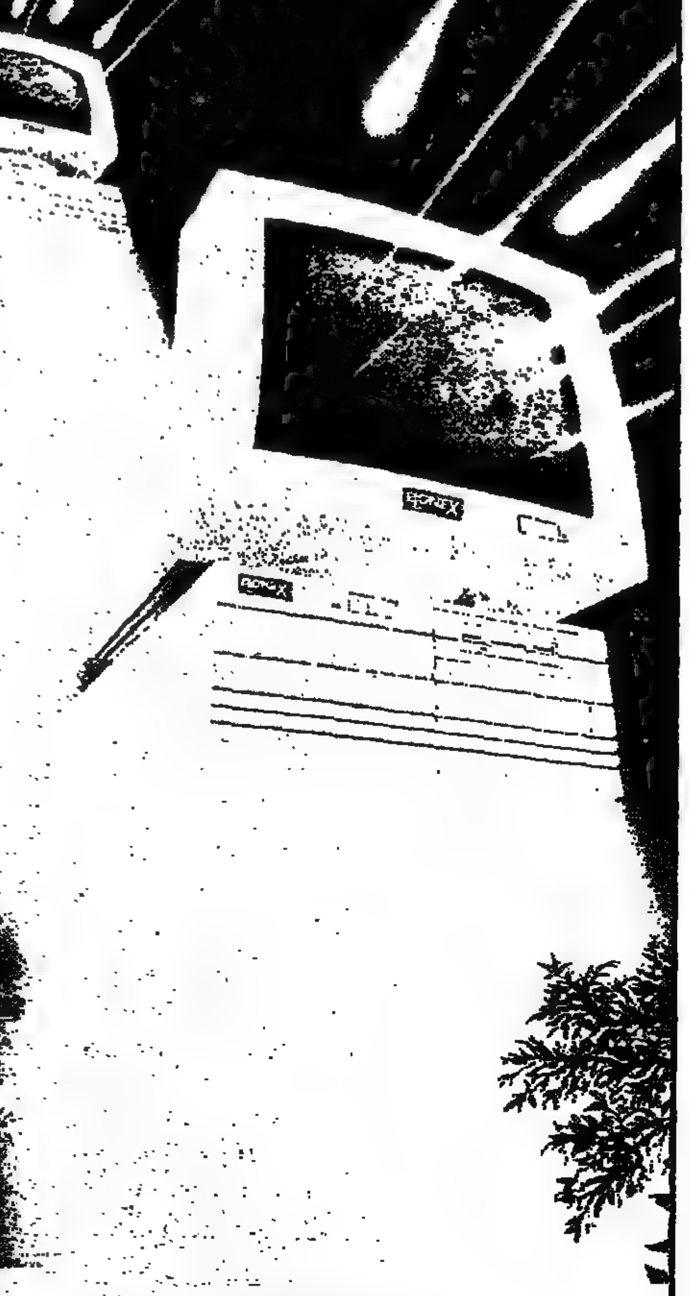
It takes Innovation to turn Imagination into Reality.

Tel 081 - 452 4444
Fax 081-452 6422
Elonex Plc, 2 Apsley Way, London NW2 7LF

Tel (0274) 307226
Fax (0274) 307294
Elonex Plc, 7-9 Campus Road, Listerhills Science Park, Bradford BD7 1HR.

Tel (1) 40.85.85.40
Fax (1) 40.85.84.83
Elonex (France) s.a.r.l., Paris, France

Tel 10.41.42.26.
Fax 10.41.45.96
NV Elonex (Benelux) SA, Wavre (Bierges), Belgium



ELONEX
PERSONAL COMPUTERS

Elonex™ is a registered trade mark of Elonex Plc. All other trade marks acknowledged. Prices and specifications subject to change without notice.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F			°C	°F			°C	°F
				Boulogne	C	11	52	Frankfurt	F	16	61	Majorca	S	22	72	Oporto	F	14	57	Tenerife	S	27	81
				Brussels	F	13	55	Geneva	F	20	68	Malaga	S	22	72	Oslo	C	9	48	Tokyo	R	19	66
				Budapest	S	17	63	Gibraltar	S	19	66	Malta	S	19	66	Paris	F	15	59	Toronto †	S	11	52
Ajaccio	S	18	64	Buenos Aires	R	20	68	Glasgow	C	10	50	Manila	F	37	99	Prague	F	17	63	Tunis	S	25	77
Algiers	S	23	73	Cairo	F	23	73	Helsinki	S	5	41	Melbourne	F	13	55	Reykjavik	C	7	45	Valencia	S	21	70
Amsterdam	F	13	55	Cape Town	S	28	82	Hong Kong	S	25	77	Mexico City	C	29	84	Rhodes	S	16	61	Venice	F	14	57
Athens	S	17	63	Caracas	F	33	91	Innsbruck	F	13	55	Miami †	S	25	77	Rio de Janeiro	R	32	90	Vienna	S	16	61
Bahrain	S	27	81	Casablanca †	S	21	70	Inverness	F	10	50	Milan	C	17	63	Rome	S	18	64	Warsaw	S	6	43
Bangkok	F	37	99	Chicago		–	–	Islamabad	F	26	79	Montreal †	R	9	48	Salzburg	F	18	65	Washington †	C	17	63
Barcelona	S	16	61	Cologne	F	15	59	Istanbul	S	12	54	Moscow	C	3	37	S Francisco †	S	10	50	Zurich	F	17	63
Beijing	S	27	81	Copenhagen	F	8	46	Jakarta	R	32	90	Munich	F	18	64	Seoul	S	19	66				
Beirut	F	19	66	Corfu	S	17	63	Johannesburg	F	25	77	Nairobi	F	25	77	Singapore		–	–				
Belfast	F	11	52	Dallas †	S	14	57	Lisbon	S	20	68	Naples	F	18	64	Stockholm	C	1	34				
Belgrade	S	19	66	Dublin	C	9	48	London	C	13	55	Nassau	C	28	82	Strasbourg	F	19	66				
Berlin	S	14	57	Dubrovnik		–	–	Los Angeles †	S	16	61	New Delhi	S	32	90	Sydney	C	17	63				
Biarritz	C	13	55	Edinburgh	C	11	52	Luxembourg	F	14	57	New York †	C	13	55	Taipei	C	26	79				
Bombay		–	–	Faro	S	21	70	Madeira	S	24	75	Nice	F	15	59	Tangier	S	22	72				
Bordeaux	C	14	57	Florence	S	18	64	Madrid	S	26	79	Nicosia	F	19	66	Tel Aviv	F	20	68				

Temperatures at midday yesterday
† Noon GMT temperatures
C–Cloudy Dr–Drizzle
F–Fair Fg–Fog H–Hail
R–Rain S–Sunny
Sl–Sleet Sn–Snow
T–Thunder

RING DAVID ROGERSON NOW ON 0952-293262
Telford
Shropshire
A better place to live and work.

FINANCIAL TIMES
COMPANIES & MARKETS
Thursday April 23 1992

©THE FINANCIAL TIMES LIMITED 1992

PLUMB CENTER
WOLSELEY plc
The name behind the name.

INSIDE

Toyota turns down Rolls-Royce approach

Toyota, the leading Japanese carmaker, yesterday ruled itself out of further negotiations with Vickers for a possible takeover of the UK engineering group's troubled Rolls-Royce Motor Cars subsidiary. Mr Shoichiro Toyoda, Toyota president, said his company was asked to make a quick decision on whether to acquire the company but refused as Toyota did not have sufficient time to consider its position. Vickers holds its annual shareholders' meeting in London today. Page 25

More pressure on Hyundai

Hyundai Engineering and Construction, a subsidiary of South Korea's second-biggest conglomerate, nearly defaulted on a Won9.5bn ($12.2m) commercial bill this week. The parent Hyundai group has been under growing financial pressure in recent weeks due to a feud with the government over the political ambitions of Mr Chung Ju-yung, the group's founder. Page 23

FFr1bn profits for Worms

Worms & Cie, the French financial and industrial group, has announced net profits of FF1bn ($177m) for 1991. Mr Nicholas Clive-Worms, senior managing partner of Worms, said it was impossible to give precise comparative profit figures for 1990 because Worms has only existed in its present form since the merger between Simer and Pechelbronn last May. Page 20

Austin Reed falls 11%

Austin Reed, the UK clothing manufacturer and retailer, yesterday reported an 11 per cent fall in profits last year. Pre-tax profits for the year to February fell from £3.6m ($6.3m) to £3.2m on sales down 5 per cent at £87.8m. Page 26

Davies & Newman warning

DAN-AIR Davies & Newman, the parent company of Dan Air, the UK-based charter and schedule airline, yesterday warned of a "material reduction" in 1992 profits compared to forecasts made during the company's refinancing last October. Page 25

Rights issue for TransAtlantic

TransAtlantic Holdings, the holding company for the South African Liberty Life group's offshore interests, has announced a one-for-four £149m ($262m) rights issue. Mr Donald Gordon, the chairman of both TransAtlantic and Liberty also announced TransAtlantic would seek an early stock listing in London. Page 20

Market Statistics

Companies in this issue

Chief price changes yesterday

FRANKFURT (DM)

Rises			
Beiersdorf	810	+	10
Herlitz	359	+	8
Springer Axel	587	+	18
Volkswagen	381.8	+	8.1
Zanders Feinpap	217	+	9
Falls			
Goldschmidt	850	–	30

NEW YORK ($)

Rises			
Caterpillar	56	+	1⅛
Citicorp	19⅝	+	1⅞
Intel	52½	+	2
Transamerica	46¼	+	2⅜
Falls			
AMR	65¾	–	2¾
Amgen	55¼	–	1⅝

New York prices at 12:30

PARIS (FFr)

Rises			
BIC	778	+	31
Cetelem	820	+	8
UFB Locabail	308	+	8.1
Falls			
Cred Lyon	635	–	18
Ocean	252	–	8.1
Sefimeg	448.5	–	13.5

TOKYO (Yen)

Rises			
Tayca	385	+	30
Falls			
Chiba Bank	1160	–	110
Intec	1700	–	150
Meitec	1850	–	180
Sanwa Deiei	370	–	35
Toyo Info	1160	–	110

LONDON (Pence)

Rises			
Capital Inds	74	+	18
Conder	23	+	3
Copymore	55	+	15
Dowty	145	+	11
MTM	38	+	8
Macro 4	430	+	12
Regalian Props	38	+	4
Salisland	11	+	31
Shoprite	449	+	34
Wace	127	+	8
Walker Greenbk	64	+	3
Falls			
Austin Reed A	136	–	12
Boots	472	–	17
Davies Newman	90	–	11
Dwyer	25	–	8
Havelck Europa	60	–	17
Legal & Gen	366	–	24
Petrocon	22	–	4
Rank Org	718	–	21
TI	718	–	19
Wellcome	1074	–	42

Purves warns against rival Lloyds bid

By Robert Peston in London and Simon Holberton in Hong Kong

HONGKONG and Shanghai Bank yesterday gave a preview of the battle it is likely to fight to pursue its £3.3bn ($5.8bn) bid for control of Midland Bank, if Lloyds decides to challenge the offer.

Mr William Purves, chairman of Hongkong Bank, warned that Midland could be damaged if Lloyds made a bid – and that Midland's shareholders would be better off accepting the Hongkong Bank offer rather than contemplating any Lloyds proposals.

His argument is that a Lloyds bid could not be consummated for many months, because any offer from Lloyds would almost certainly be vetted by the Monopolies and Mergers Commission, which assesses takeovers for their effects on competition.

He fears Midland staff morale could suffer during this uncertainty about their bank's future. "If a deal does not get through the Monopolies and Mergers Commission, what then?" he asked. Mr Brian Pearse, Midland chief executive, is concerned that the innate value of the bank would be damaged if staff quit or lost enthusiasm.

By contrast, Hongkong Bank is hopeful that the competition authorities will not obstruct its offer.

Mr Purves admitted it was possible that Midland's shareholders might have "more to gain" if their bank were taken over by a UK rival rather than by Hongkong Bank. Lloyds estimates if it buys Midland it could make cost savings greater than £500m.

But Hongkong Bank hopes that Midland's shareholders will choose to ignore those superior financial gains, given that a Lloyds deal may not be allowed by the MMC.

However, leading institutional shareholders in Lloyds and Midland say they want Lloyds to make an offer, because they believe there is strong commercial logic for such a deal.

Lloyds will decide whether to bid at the end of the week. After its annual meeting tomorrow, its board will meet over dinner to discuss whether to make an offer. The following morning it will have a formal debate.

Mr Purves is in London until the end of the week for a series of meetings with Midland's leading shareholders.

Hongkong Bank is aware that many of Midland's shareholders are disappointed that the offer is not worth more and that they are being asked to take Hongkong Bank shares and loan stock rather than cash. However, there were indications from China yesterday that the government would be unhappy if Hongkong Bank raised its offer. China's views are important because in 1997 it will take control of Hong Kong, home of Hongkong Bank's most profitable activities. The semi-official China News Service said it would be "unfair" to Hongkong Bank shareholders if it bettered the terms of its offer for Midland. It added that Midland's shareholders would be the losers if the bid did not go though on Hongkong Bank's terms.

ICI expected to sell fibres unit

By Paul Abrahams

IMPERIAL Chemical Industries, the British chemicals group, is expected to announce the disposal of its fibres operations today at press conferences it has called in London and Teesside.

The move follows speculation that ICI was negotiating with Du Pont of the US for the operations which had a turnover of about £765m ($1.3bn) in 1990, the last year the company published the unprofitable fibres businesses's results independently.

Any sale to Du Pont would have to be cleared by the European Commission. The combined operations would have 55 per cent of the European market for staple fibres, used in carpets and clothing, and more than 30 per cent of the filament market.

Such a move would fit ICI's long-term strategy. Sir Denys Henderson, ICI chairman, has said in the past that he no longer saw fibres as one of its core businesses. He said he planned to develop businesses which operated on a global basis or were highly profitable. The fibres operations meet neither criterion. Their sales are concentrated in Europe and the businesses do not have a sustained record of profitability.

ICI appeared to have turned its fibres operations around during the late 1980s by exiting the polyester business and concentrating on nylon. In 1988 its operations peaked with trading profits of £53m.

However, profits halved the following year. Fibres contributed significantly to the materials division's losses of £14m during the final quarter of last year.

Rationalisation at the fibres businesses has already been undertaken by ICI. About 1,000 jobs were shed in 1991 and a further 800 are scheduled for this year. The business's Harrogate headquarters has been closed and a 20-staff headquarters set up in Brussels. However, when Sir Denys announced last year's results in February, he said rationalisation at the fibres operations had not created margins strong enough to produce satisfactory results.

Axa profits decline by 28% at year-end

By Alice Rawsthorn in Paris

AXA, France's second-largest insurance company which last summer emerged as a significant shareholder in The Equitable Life Assurance Society of the US, saw its net profits fall 28 per cent from FFr3.35bn in 1990 to FFr2.4bn ($430m) in 1991.

The group, chaired by Mr Claude Bébéar, attributed the reduction in profits to lower capital gains on sales of investments by the Axa holding company.

In spite of the decline in profits the board proposed a small increase in the dividend paid for the year to December 31, 1991 to FFr22 from the FFr21 paid in the year to August 30, 1990.

Axa is among the first of the big French insurance groups to have announced its 1991 figures. Union des Assurances de Paris (UAP), the state-controlled company which is the largest player in French insurance, will report today followed by Groupes des Assurances Nationales (GAN), another state-controlled company, on Monday.

The announcement of the fall in Axa's profits comes at a sensitive time for the French insurance sector which is preparing for the proposed partial privatisation of the state-controlled groups – including UAP and GAN – probably later this year.

Axa was affected in 1991 not only by the fall in capital gains – which helped to clip the contribution from the holding company from FFr1.8bn to FFr1.1bn – but also from the poor performances of its property leasing businesses and Compagnie Financière Paribas.

Property leasing was hit by the general slowdown in the property market.

Paribas, one of France's most prestigious banking groups, recently reported its first-ever loss – of FFr184m – for 1991 after being forced to make hefty provisions of FFr2.8bn.

Axa mustered a modest increase in insurance profits from FFr1.21bn to FFr1.35bn last year chiefly due to a strong performance from its reinsurance activities which swung from a loss of FFr70m into a profit of FFr152m.

However, the contribution from its core French insurance interests fell from FFr1.46bn to FFr1.34bn.

The loss from its insurance businesses outside France fell slightly from FFr189m to FFr147m.

UK deregulation will result in a lively market, writes **Hugo Dixon**

Small players plug into telecom niches

Dozens of companies are starting to chip away at profitable niches of the newly-deregulated UK telecommunications market.

But those who hoped last year's government white paper would launch a head-on clash between British Telecom, which towers over the market, and new competitors on the lines of Mercury Communications will be disappointed. Instead, the emerging competitors are finding ways to use radio and satellites for individual telecommunications services.

The white paper largely abolished the duopoly of BT and Mercury. Mr Peter Lilley, trade and industry secretary, said then that the new policy would make Britain the most open telecommunications market in the world.

The policy has drawn a flurry of new competitors. Six companies have been granted licences by the Department of Trade and Industry, more than 20 companies have lodged applications and another 30 have expressed interest in doing so.

But of these, only Sprint, the US long-distance carrier, and National Network, a private UK group, plan to build mainstream national and international networks. Even then, the sums earmarked for investment – between £150m ($265m) and £200m in Sprint's case – are small by the standards of this capital intensive industry.

More substantial groups such as American Telephone and Telegraph, the US telecommunications giant, British Rail and the regional electricity companies – all of which had shown interest in competing against BT – have so far failed to act.

As a result, BT's principal competitor will continue to be Mercury. So far it has invested about £1.5bn and plans to boost investment by a further £500m in each of the next three years.

This is still relatively small compared with the £2.5bn BT invests every year. But Mercury is steadily increasing its market share and now has just over 5 per cent of the £15bn-a-year market, concentrating mainly on large business customers and long-distance traffic.

Potential competitors have feared that BT might unleash a price war if it thought its market share was threatened. They have also been deterred by regulatory delays: the UK government has yet to clarify whether carrying international calls – the most lucrative part of the market – will be open to competition beyond BT and Mercury. And companies have been reluctant to commit themselves to heavy investment while the economy is weak.

Some of the same factors also affect companies planning to compete in niches. But these are counting on new technologies to win their battles against BT. The ideas include:

● Radio tails. Ionica, a private UK group, and US-based Millicom want to put telephone aerials on the roofs of homes and use radio signals rather than copper wire to transmit phone calls to and from exchanges. They believe this will be cheaper and faster than digging up the roads to lay cables.

Ionica's managing director, Mr Nigel Playford, says he aims to win at least 5 per cent of the residential market – about 1m customers – within 10 years. Millicom plans to provide picturephone and data communications as well.

● Roof-to-roof communications by satellite. British Aerospace Communications and Alpha Lyracom, a private US group, have been awarded international satellite licences. They plan to provide businesses with private networks by installing dishes on office roofs and bouncing the signals off satellites.

No roads need to be dug up, meaning services can be provided quickly and cheaply. Such services are popular in the US where there are nearly 70,000 dishes installed. They are now expected to develop in Europe as tight regulations are relaxed.

BAe has been granted satellite licences in France and Germany and is part of a multinational consortium that plans to build the $500m Orion satellite system in 1995. Alpha Lyracom owns the Pan American satellite and has licences in the US, France and Germany.

● Cable television. Large North American telephone companies – US West, Bell Canada, Pacific Telesis, South Western Bell and Nynex – have built up stakes in most of the UK's 133 local cable TV franchises. Costs can be kept down if telephone and TV services are sold together because roads must be dug up only once.

So far telephone service is available in six areas and 30,000 telephone lines have been provided. The Cable Television Association expects the number to increase to 100,000 by the end of the year.

● Mobile communications. Of the two existing cellular services, Vodafone, with 700,000 customers, has been consistently more successful than Cellnet, which is 60 per cent owned by BT and has 700,000 customers. Three groups – Mercury, Hong Kong's Hutchison Telecom and Unitel, a consortium including US West – have been licensed to form personal communications networks, a rival type of service. Both Vodafone and Unitel have asked the government for licences to provide fixed services to customers.

● Buying capacity on international cables in bulk and using it to provide customers with a phone service.

World Communications and ACC, which both act as resellers in North America, want to set up as international resellers in the UK. WorldCom plans to concentrate on UK-US traffic, while ACC would focus on UK-Canada traffic.

Resellers are able to make a profit because the price of bulk capacity is relatively low, while charges for individual international calls are high.

Analysts estimate that resellers could cut the price of transatlantic calls to 30c a minute from about $1 today.

The impact of any of these new niche players on its own is likely to be small. None will come close to challenging BT's dominance. But, taken together, the overall result of the emerging rivals will be a range of new services, lower prices for some products and a more lively telecommunications market.

Caterpillar books 21% fall in sales

By Barbara Durr in Chicago

CATERPILLAR, the world's largest maker of earth-moving equipment, reported that a 21 per cent decline in sales during the first quarter led to a net loss of $132m, or $1.31 per share.

This was the company's fifth consecutive quarterly net loss, but the first in which non-recurring charges, such as plant closures, did not account for the biggest part of the decline. It compares with losses a year ago of $32m, or 32 cents per share.

The company denied that the five-month strike by the United Auto Workers union had a significant impact on the results. Mr Ken Kuchan, director of investor relations, said the company had not lost sales because of the strike. Most of its UAW strikers returned to work this week but many have said that they intend to do the minimum required instead of pitching in to improve production.

Sales were $2.09bn, down from $2.58bn a year ago. The biggest drop in sales came abroad, which accounted during the first quarter for 55 per cent of company's total, down from 58 per cent last year. Sales outside the US fell 24 per cent to $1.14bn, while US domestic sales decreased just 12 per cent to $958m.

While Mr Kuchan admitted that some sales were delayed by the strike, he asserted, "We have not lost any share of market."

The company expects that results will improve significantly during the second quarter and it will return to profitability during the second half.

It also said that its previously announced lift-truck joint venture with Mitsubishi Heavy Industries would provide "a significant gain" for the company this year.


Some ideas will take you nowhere.

But the Toshiba Cambridge Research Centre will take you into the future. With a quantum leap.

Exploring the world of atoms, the Research Centre has started down the road to discovering new ways in which semiconductors will take us to the edge of the coming century.

It is just one way Toshiba semiconductor technology is helping people keep their goals on course. With no dead ends in sight.

In Touch with Tomorrow
TOSHIBA

Total takes control of Petrogal

By William Dawkins in Paris

THE Portuguese government yesterday accepted a bid from a consortium led by Total, the French state-controlled oil group, for control of the Petrogal oil refiner, the state-owned oil refining company.

It is the largest in Portugal's three-year-old privatisation programme. The bid values Petrogal, the country's largest company, at Es131bn ($916m).

The Total consortium was the only bidder, after Du Pont, the US chemicals giant, dropped out of the race.

Petrogal holds more than half of the Portuguese market for refined products. Its refining capacity of 290,000 barrels a day represents 20 per cent of the combined capacity of Spain and Portugal, both of which are showing rapid growth in demand for oil products, according to Total.

Total, with nine Portuguese financial investors, is to take a 51 per cent stake in Petrogal; 25 per cent initially plus 26 per cent in the next three years. Of the first tranche, 20 per cent will come from an issue of new shares, expected to raise around Es20bn, with the remaining 5 per cent to come from the sale of existing shares.

Petrogal's refineries were well-adapted for exports to Spain, Africa and America, said the French group yesterday. The stake would give Total a sound base to develop sales to Portuguese-speaking African countries such as Mozambique and Angola, with which Petrogal has special relationships. This also adds southern European exposure to Total's refining businesses, which until now have been centred on north-western Europe.

Total has 48 per cent of the consortium and would accordingly contribute "significantly" to the management of Petrogal, said the French group.

One condition of the sale is that Petrogal's new owners must modernise one of its three refineries, at Sines, on Portugal's southern Atlantic coast, a job expected to cost about Es60bn.

Abbey National shares hit by forecast

By John Authers in London

FURIOUS trading in Abbey National shares followed a gloomy forecast by the banking group's chairman, Sir Christopher Tugendhat.

The volume of transactions for the day, at 12m, was the highest since the company was launched in July 1989. Having risen before the annual meeting, shares ended down 11½p for the day at 299½p.

Sir Christopher said: "1992 is proving to be a difficult year for Abbey National. During the first quarter there has been a significant increase in the level of inquiries from prospective house purchasers, but the political uncertainties have put a brake on turning those inquiries into confirmed business. Arrears and repossessions are at a higher level than expected and this in turn will mean a higher level of provisioning."

Abbey's chief executive, Mr Peter Birch, had made a more positive assessment last month. "I think we are over the worst in the housing market," he said.

Analysts disagreed on whether the market made a realistic reaction. Mr John Wriglesworth, building societies analyst at UBS Phillips & Drew, described the move as a "thinly veiled profits warning", but added that the statement had not affected his own profits forecast for the year, which remains at £635m ($1.1bn), compared with £618m last year. However, some analysts are considering downgrading their forecasts to around £620m.

Stormy scenes punctuated the meeting, which was attended by around 1,400 shareholders. One shareholder attempted to make a motion not to increase the final dividend, and to divert the money saved to mortgage rescue schemes.

Several shareholders complained about poor service or underperforming accounts, and there was also an attack on its life assurance questionnaires, which ask if applicants have been tested for the Aids disease, but do not ask about smoking.

Lex, Page 18

TransAtlantic seeks fresh capital and London listing

TRANSATLANTIC, the holding company for the offshore interests of Liberty Life, the South African insurance group, is to raise £149m ($259.2m) through a one-for-four rights issue, writes Philip Gawith in Johannesburg.

Mr Donald Gordon, chairman of both companies, also announced yesterday that Luxembourg-listed TransAtlantic would seek an "early" listing in London – since Sun Life, the UK insurer, is now its main investment and is itself no longer listed.

These announcements follow a series of moves by Mr Gordon over the past year to strengthen the offshore interests of Liberty.

His main achievement has been an alliance with UAP, the French insurer. UAP owns 16.8 per cent of TransAtlantic, and together with Liberty owns Sun Life through intermediary Rockleigh Corporation.

A long-mooted UK listing for London-based TransAtlantic will make future capital raising easier, not least by making for a more liquid market in its shares.

TransAtlantic said that a listing would necessitate "an acceptable spread of shareholders" in TransAtlantic "and some rationalisation" of the structure of Capital & Counties, its UK property subsidiary. TransAtlantic owns 82.6 per cent of Capital & Counties' ordinary shares and 31.4 per cent of its convertible preference shares.

Analysts believe a buy-out of minority shareholders is likely. Capital & Counties shares closed up 12p at 178p yesterday.

The rights issue is at 250p a share.

Philips and SGS-Thomson seal advanced circuit pact

By William Dawkins in Paris

PHILIPS, Europe's leading semiconductor group, yesterday finalised an accord to develop advanced integrated circuits with SGS-Thomson, the Franco-Italian venture which is Europe's third-largest chip maker.

The Dutch company is to provide 30 researchers for a team of 300 scientists at a $200m research and development complex being built by SGS-Thomson and the Cnet French telecommunications research institute at Crolles, near Grenoble in the French Alps.

They will develop so-called dedicated logic circuits, designed for use in specific products such as high definition televisions, mobile phones and integrated services digital networks, in which voice, data and pictures are sent down a single telecommunications line.

Such devices will represent as much as a third of the semiconductor market by the end of the decade, predicted Mr Pasquale Pistorio, SGS-Thomson's chief executive.

The deal brings to fruition an agreement in principle made by Philips and SGS-Thomson last November.

The Crolles institute, which scheduled to open in the second half of this year, will make prototypes, though it will also be available for commercial production, Mr Pistorio added.

The partners also revealed that they were discussing extending their joint work at Crolles to include a European centre for manufacturing science and a silicon foundry for advanced logic devices.

Bouygues edges up to FFr635m for year

By Alice Rawsthorn in Paris

BOUYGUES, one of the world's largest construction groups, yesterday announced a modest increase of 1.4 per cent in net profits from FFr626m in 1990 to FFr635m ($112m) in 1991.

This means that Bouygues, which is also the managing shareholder in TF1, France's biggest single television channel, has failed to meet the initial estimate of net profits of FFr660m that it made in January when forecasting the probable outcome for 1991.

Bouygues, like other European construction companies, was affected last year not only by the slowdown in the property market but also by difficulties with the Channel tunnel project. Mr Martin Bouygues, chairman, said Bouygues had made a provision of FFr123m for its share of the losses on the project.

Trans Manche Link (TML), the consortium of Anglo-French contractors in which Bouygues owns a 10 per cent stake, has been in dispute with Eurotunnel, which is orchestrating the tunnel scheme, over payment for its work on the project.

Despite the slowdown in European construction, Bouygues' overall turnover rose by 13 per cent from FFr56.7bn in 1990 to FFr64.3bn in 1991. On a strictly comparable basis the rate of sales growth was slightly lower at 8 per cent. Bouygues benefited from expansion in international interests, which saw turnover rise by 48 per cent to FFr18.9bn.

The group envisages a slight fall in turnover to about FFr64bn in the current year, mainly because of the weakness of the property market. Despite this, the board proposed raising the dividend from FFr15 in 1990 to FFr16 a share for 1991.

● Clarins, the French skin care and cosmetics group, shrugged off the slowdown in the international beauty industry last year with a 21 per cent increase in net profits from FFr158m in 1990 to FFr192m in 1991.

Nedlloyd returns to profit but omits dividend again

By Ronald van de Krol in Amsterdam

NEDLLOYD, the Dutch transport group, made a strong swing back into profit in 1991, due to gains produced by a series of divestments and, to a lesser extent, to an improvement in operating results.

Net profit totalled Fl 145m ($77.5m) last year, reversing the previous year's net loss of Fl 148m. In spite of the turnround, Nedlloyd is to omit its dividend for the second year in succession because of the "composition" of its annual profit.

Mr Henk Rootliep, chairman, acknowledged that the strong improvement in results reflected the company's divestment programme but added, "I am happy nevertheless that we have been able to report a substantial, positive result."

Nedlloyd's ocean-shipping business moved out of the red in 1991 to produce an operating profit of Fl 44m against a loss of Fl 78m in 1990. The group's second core business – land-based transport and distribution in Europe – narrowed its operating losses to Fl 8m from Fl 45m.

Total operating results rose to Fl 80m from Fl 25m in 1990. The operating figure includes Fl 35m from the sale of fixed assets such as ships. The year before, Nedlloyd had raised Fl 111m at the operating profit level by selling a liquefied natural gas tanker, some property in Japan and other assets.

The net result was boosted by extraordinary items of Fl 141m, of which more than a third was generated by the sale of the energy division to DSM, the Dutch chemicals group. Sales of minority shareholdings yielded another Fl 76m in book profits.

Nedlloyd's divestment programme, which has concentrated on non-core businesses such as energy, aviation and electronics, produced cash proceeds of Fl 700m in 1991.

Mr Rootliep said no significant divestments were expected for 1992, meaning that proceeds from the sale of businesses would be limited. However, the company forecasts further improvements in operating results, though it declined to make a prediction for net profit.

Mr Rootliep said he hoped the controversial appointment to the supervisory board of Mr Torstein Hagen, the Norwegian investor who controls roughly one-quarter of the company's shares, would be settled by the summer. A Dutch court has been asked to rule on the appointment after it met objections from Nedlloyd's employees council.

Philip Morris leads Czech race

By Ariane Genillard in Prague

PHILIP MORRIS, the US tobacco company, is poised to win the race to acquire a strategic stake in the former tobacco monopoly of the Czech republic.

Approval from the government would give the US group 80 per cent of Tabak, the tobacco company holding 80 per cent of the Czech republic's market. The sale has attracted the attention of leading international tobacco companies which are seeking to enter the profitable markets of eastern Europe.

Tabak's former monopoly situation in the Czech republic should allow Philip Morris to operate practically unhindered by competition. On the national level, it will compete with the smaller Slovak company, CSTP, which last week was partially sold to Reemstma, the German tobacco company.

International tobacco companies involved in the race to win Tabak have bitterly complained about the governmental decision not to break Tabak into separate plants and allow for more international competition within the country.

They have also claimed that Philip Morris, which already had a licensee agreement and was openly favoured by management, had privileged access to information. Czech officials have denied that the tender, monitored by Nomura Securities, was not properly conducted.

Clegg wins compensation from Wace

By Andrew Bolger in London

WACE Group has paid £425,000 ($752,250) compensation to Mr John Michael Clegg, 33, who resigned as chief executive of the UK company he built into the world's largest specialist in pre-press printing.

Mr Clegg resigned in February after market rumours linked Wace with the IRA. It emerged that a brief police investigation had dismissed such suspicions, but the Department of Trade and Industry is investigating share dealings in the names of several of Mr Clegg's relatives.

Mr Clegg, who lives in Chicago, has said he never provided price-sensitive information to anyone and promised to co-operate with the inquiry.

Shares in Wace yesterday rose from 119p to 127p after the group reported pre-tax profits of £18.28m in the year to December 31. Although this was 31 per cent down on the previous year, the figures were at the top end of expectations and were coupled with a reassurance that shareholders would face no more unpleasant surprises.

Mr Frans ten Bos, chairman, said: "Although John Clegg's departure leaves a personal void, his departure has had little effect on the day-to-day running of the group's operations."

Mr ten Bos is acting as chief executive and said headhunters were looking for a new chief executive.

Details, Page 25

PSA PEUGEOT CITROËN

1991 Consolidated Results

- Sales FF 160.2 billion
- Net income FF 5.5 billion
- Dividend FF 13 per share (FF 19.50 including tax credit)

The Supervisory Board of Peugeot SA met on April 15, 1992. The Managing Board presented the Group's 1991 consolidated results and announced the appropriation of earnings it will propose at the Annual General Stockholders' Meeting on June 24, 1992.

PSA PEUGEOT CITROËN GROUP

Last year was characterized by a decline in demand and automotive output in most major industrialized nations, with the exception of Germany, and by a subsequent weakening of margins that affected virtually all carmakers to differing extents.

The PSA Peugeot Citroën Group maintained or widened its share of each of the major European markets. Nevertheless, these markets' downward trends led to a 6.2% decrease in sales, to 2,057,500 units, and to a 7.9% drop in production, to 2,045,100 vehicles.

Consolidated Results	1991 (in FF millions)	1991 (% of sales)	1990 (in FF millions)
Sales	160,171	100.0	159,976
Operating income	10,102	6.3	15,701
Pretax income	8,474	5.3	14,077
Net income (after minority interests)	5,526	3.5	9,258
Net income per share (in FF)	111		185

After a significant decline in the first half of the year, due in particular to the reduction of dealer inventories, the Group's consolidated sales rebounded sharply in the second half with the European launches of the Citroën ZX and the Peugeot 106. Over the full year, sales slightly exceeded those of 1990 by reaching FF 160,171 million.

With exports of FF 71,157 million, PSA Peugeot Citroën remained France's number-one exporter in 1991, making a positive FF 46,3 million net contribution to the nation's trade balance.

Although operating income, at FF 10,102 million, is down on the previous year's level, it nonetheless represents 6.3% of consolidated sales. This change reflects the cyclical economic slowdown, but also the Group's ongoing modernization and development programs. These efforts have led to a relative increase in research and development expenditures and depreciation charges. Heightened competition and two new-model launches also caused a reinforcement of selling expenses.

Pretax income therefore amounted to FF 8,474 million, versus FF 14,077 million in 1990.

After corporate income taxes of FF 2,798 million, corresponding to an average tax rate of 33%, and minority interests of FF 150 million, net income attributable to stockholders totaled FF 5,526 million, representing a 3.5% return on consolidated sales - to our knowledge, the world auto industry's highest net margin in 1991.

Financing and Financial Structure	1991 (in FF millions)	1990 (in FF millions)
Investments in property, plant and equipment	15,521	15,139
Cash flow	15,386	16,157
Stockholders' equity	51,718	47,166
Net financial indebtedness	9,392	8,278
Shareholders' equity per share (in FF)	1,036	944

In 1991, the Group continued to implement its vast capital spending program, as property, plant and equipment outlays rose 2.5% to a record-high FF 15,521 million.

Despite the unfavorable economic conditions, cash flow declined by only 4.8% and amounted to FF 15,386 million, or 9.6% of sales, covering virtually all (99.1%) of gross property, plant and equipment expenditures.

The Group again reduced its medium- and long-term debt, from FF 5.8 to 5.0 billion. Nevertheless, a slight rise in working capital requirements had repercussions on both cash and net financial indebtedness which, including employee profit-sharing, totaled FF 9,392 million at yearend. Net debt therefore rose by FF 1,114 million, whereas consolidated stockholders' equity advanced by FF 4,552 million to FF 51,718 million, or FF 1,036 per share - more than five times as much as net borrowings.

PEUGEOT S.A.

The 1991 income statement for Peugeot SA reports a net profit of FF 1,622 million, compared to FF 2,024 million in 1990.

Dividend

In light of the Group's earnings for 1991 and the still-highly-uncertain prospects for 1992, it was decided to propose that the June 24, 1992 Annual General Stockholders' Meeting declare a slightly reduced dividend of FF 13 per share, or FF 19.50 per share including the avoir fiscal (tax credit). Dividends will be paid on July 3.

EUROFI

LYONNAISE DES EAUX DUMEZ

1991 FINANCIAL RESULTS:

Revenues: 87.5 billion French francs
Group share of consolidated income: 1,168 million francs
Cash flow: 5,296 million francs
Dividend: 10 francs per share

The April 15, 1992 Lyonnaise des Eaux-Dumez Board of Directors meeting, which was chaired by Jérôme MONOD, examined the parent company and consolidated financial accounts for the 1991 fiscal year.

The slowdown in economic growth in 1991 affected many sectors of activity in France as well as around the world.

Nevertheless, group consolidated revenues rose by 21.6% to 87.5 billion francs, nearly 42% of which came from outside France. In constant terms, and excluding the effects of exchange rate fluctuations, the rise amounts to 10%.

The services, construction and development sectors recorded substantial growth.

In keeping with the orientations spelled out by the Board of Directors on January 15, 1992, a total of 2.1 billion francs in funds for non recurring charges and provisions have been constituted in the group's accounts:
- for depreciation of certain property assets,
- to cover losses recognized at the completion of several projects,
- as a result of restructuring costs in the construction, development and electrical equipment distribution sectors,
- and to cover certain risks.

Capital gains on the disposal of assets (headquarters building, investment shares and non-strategic activities) amounted to nearly 1.9 billion francs, enabling the group to cover most of the its exceptional expenses.

The group share of the consolidated net income was 1,168 million francs, an 18% decline compared to the level reached in 1990. Cash flow increased by almost 42%, to 5,296 million francs.

Consolidated Accounts

(millions of FF)	1990	1991	91/90 variation
Revenues	71,991	87,485	+21.5%
Gross operating income	5,232	6,771	+29.4%
Total net income	1,957	1,765	- 9.8%
Amortization of goodwill	170	301	+77.1%
Group net income	1,425	1,168	-18.0%
Cash flow	3,741	5,296	+41.6%

Cash flow itemization by sector

(millions of FF)	1990	1991	91/90 variation
Water, services and holding company	2,551	3,660	+43.5%
Construction and development	1,237	1,926	+55.7%
Distribution	112	14	NS
Industrial, real estate and financial activities	-159	-304	NS

In 1990, a record level of investment was reached at almost 9.5 billion francs. Cash flow (5.3 billion francs) and sales of non-strategic assets (6 billion francs) completely covered investments.

Parent company income, which recorded a substantial share of the capital gains already mentioned, was 857 million francs, as opposed to 502 million in 1990. At the General Meeting of June 11, 1992 a proposal will be put forward to maintain the dividend at 10 francs (to which a tax credit of 5 francs will be added).

AMBITIOUS DEVELOPMENT GOALS

Jérôme MONOD reiterated the group's strategy of focussing on its core businesses - environment-related services and activities in the construction and development field - and continuing with its strategy of internationalization.

The brisk growth in environment-related markets and international infrastructure needs supports this strategy.

The group's new dimension and the quality of its technologies provide it with the best means to make the most of these opportunities.

Lyonnaise des Eaux-Dumez is continuing its steady growth in Europe through its commercial activities in Germany and Eastern Europe, and its holdings in England, Spain, Belgium and Italy. At the same time, the group is branching out into new markets in Asia and the Pacific (especially Malaysia), as well as in South America.

The 1992 fiscal year is getting under way on a sound basis. It should mark a decisive step in the growth and internationalization of Lyonnaise des Eaux-Dumez.

Holders of O&Y public bonds may be paid

By Bernard Simon in Toronto

HOLDERS of publicly-traded bonds issued by Olympia & York are in a stronger position than many bank lenders in the restructuring of the cash-strapped property developer's $12bn debt in what is a rare reversal of roles.

O&Y has failed to make interest and principal payments on several bank loans and private placements in the past month but holders of about $1.5bn worth of bonds in O&Y buildings in the US and Canada are likely to be paid at least their interest on time, provided the individual properties continue to generate sufficient cash flow.

"It would be very rare for an O&Y bond or debenture holder to rank behind the banks," a Toronto real estate financier said yesterday.

Mr Jim Titus, vice-president at Standard & Poor's, the New York rating agency, adds that the bondholders will be protected even in the event of an O&Y bankruptcy. Trustees would take possession of income from the buildings and, in a worst case scenario, could appoint new property managers.

Ironically, the strong position of the bond holders is largely due to the secrecy which has enveloped O&Y over the years. O&Y's refusal to make its financial statements public forced it to put other safeguards in place when it tapped outside investors to refinance many of its North American properties in the mid and late-1980s.

O&Y provided financial statements to its main bankers, except for details of the leases signed with tenants in its buildings. As a result, many of its private placements and bank loans are at least partially secured by corporate guarantees.

Only about $300m of O&Y's debt is unsecured, but questions are bound to be raised whether the banks were cautious enough in evaluating security for many of their other loans.

The securitised buildings include First Canadian Place, O&Y's 72-storey Toronto flagship; 55 Water Street, a 53-storey tower in lower Manhattan; another Manhattan building at 59 Maiden Lane; two large office buildings in Calgary; and one in Ottawa.

To attract investors, O&Y set up single-purpose companies for each building with no recourse to the parent. Rental income is channelled into a specific operating account from which only running expenses can be paid before debt service obligations. In most cases, the bondholders have a first lien against the assets.

O&Y has been able to take cash out of these projects only by pledging collateral. In the case of 55 Water Street and 59 Maiden Lane, for instance, it has posted a blue-chip surety bond issued by Aetna Insurance.

Moody's and Standard & Poor's, the New York credit-rating agencies, say this collateral is likely to be sufficient to meet interest payments. Interest of $35m is due to bondholders of the Water Street property on June 30.

No such escrow requirement exists on the $800m privately-placed Eurobond secured by a building at the World Financial Centre, on which O&Y failed to make a $62m interest payment earlier this month.

Mr Larry Miller, vice-president at Moody's, said the single-purpose companies "were designed to be insulated from the insolvency of the parent". Investors continue to face a risk, however, from the weak North American office rental market.

Banks have on at least one occasion already had to carry the cost of safeguards given to public holders of O&Y securities.

Five Canadian, US, and Japanese institutions as well as an Austrian bank were required to retire a $160m commercial paper programme last year secured by Gulf Canada Square, a Calgary office building. Investors were reluctant to roll over their paper as prospects for the western Canadian oil industry and property market soured.

Nova drops plan to split gas operations

By Robert Gibbens in Montreal

NOVA CORP has dropped plans to split its natural gas transmission and petrochemicals operations into separate entities.

Mr Edward Newall, chairman, said Nova's international equity issue had raised more than C$300m (US$254.2m) and will put the company's balance-sheet "in superb shape".

There is no pressure to sell assets now, he added, denying reports that Nova might sell its Ontario ethylene plant to Imperial Oil.

The company now expects to be profitable throughout 1992 following last year's C$675m special restructuring charge that wiped out profits.

Mr Newall said petrochemical prices had hit rock bottom, and Nova's petrochemical operations would break even in 1992 after financial charges and meeting C$100m in capital outlays.

Nova has slowed its gas pipeline expansion programme as Canadian gas producers have reduced demands for pipeline capacity.

Inco hit by sharp fall in earnings from mining operations

By Bernard Simon in Toronto

INCO, the western world's biggest nickel producer, barely broke even in the first quarter, as sagging metal prices, lower shipments and higher unit costs slashed earnings from its mining operations.

Net earnings slid to US$2.2m, or one cent a share, from $53.6m, or 50 cents last year.

Sales were down almost one fifth to $680m, while operating earnings in the primary metal division slumped to $42m from $136m. The alloys and engineered products division suffered a small operating loss.

Shipments of almost all metals were lower in the first quarter. Nickel deliveries slipped to 121m lb from 136m lb. Copper shipments declined to 59m lb from 75m lb, and platinum-group metals fell to 69,000oz from 86,000oz. Nonetheless, finished nickel inventories rose to 60m lb on March 31, from 45m lb three months earlier.

The average nickel price received by the company fell to $3.59 per lb from $3.94 a year earlier. Refined copper prices slipped to 99 cents from $1.10 per lb.

Inco does not disclose unit production costs, but these are understood to be around $2.50 per lb of nickel and $1.60 per lb of copper.

The company said that the rise in first-quarter costs was due to higher wages and benefits, and increased depreciation and amortisation charges. These factors were partly offset by improved ore grades.

Total debt was slightly cut to $1.26bn on March 31.

● TransCanada PipeLines, which operates the cross-Canada gas pipeline system, earned C$79.5m (US$67m) or 39 cents a share in the first quarter, up 36 per cent from a year earlier, mainly because of a jump in export volume. Revenues were C$926m, up 9 per cent.

● Investors Group, Canada's biggest mutual fund distributor, and controlled by Power Financial Corp, is raising C$122.5m of new equity for acquisition opportunities, writes Robert Gibbens.

PFC is not participating in the issue and its holding will drop from 74 to 66 per cent.

Investors earned C$50.7m on revenues of C$2.8bn last year, and in the first quarter of 1992 revenues were up 45 per cent from a year earlier.

ITT net income slips on lower hotels and industrial figures

By Martin Dickson in New York

ITT, the US conglomerate, unveiled a 29 per cent drop in first-quarter net income as lower figures from its industrial and hotels businesses more than outweighed an improved performance from its financial operations.

The group had net income of $163m, or $1.20 a share fully diluted, compared with $229m, or $1.70 a share, in the same period of last year. Sales and revenues totalled $5.1bn, compared with $5bn. The figures were roughly in line with market forecasts.

ITT Hartford, the group's large insurance business, saw an improvement in earnings, from $165m to $181m, thanks to higher investment income and a $10m pre-tax gain on the sale of a stake in securities firm Piper Jaffray Hopwood. This was partly offset by the establishment of reserves in domestic casualty operations and continued difficult market conditions in the UK.

ITT Financial, which groups other financial service operations, also posted higher operating results – $33m against $19m.

ITT Hartford and Financial together enjoyed portfolio gains of $84m, or 68 cents a share, compared with $35m a year ago.

The group's Sheraton hotels business lost $16m, up from $3m a year ago, which ITT said was due to "significantly lower occupancy levels in New York City, Miami and Toronto", where Sheraton has recently completed large renovations.

The automotive, fluid technology, forest products and defence businesses suffered lower profits, while components posted an operating loss.

Equity in earnings from Alcatel, the European telephone equipment business, rose from $32m to $60m. ITT is in the process of selling its 30 per cent stake in this business to joint venture partner Alcatel Alsthom.

Sales rise at Harley-Davidson

HARLEY-DAVIDSON, which reported higher 1992 first-quarter results, said worldwide demand for its motorcycles continued to outweigh supply, Reuter reports.

The US motorcycle maker reported 1992 first-quarter earnings rose to $8.7m from $4.5m last time which lifted per share earnings to 48 cents a share from 25 cents last year, reflecting the impact of a two-week strike in the 1991 first quarter. The advance was achieved on sales which rose to $247.4m from $196.2m in the 1991 first quarter.

The company said first-quarter motorcycle shipments were hurt by shipment of about 3,000 units in the 1991 fourth quarter, which normally would have been held in inventory until the first quarter.

It added that 3,000 motorcycles from year-end stocks were shipped in December in response to dealer demand.

The company said its Holiday Rambler's Recreational Vehicle unit lifted sales 37 per cent to $47.5m in the quarter.

Amoco posts 52% fall in opening quarter

By Martin Dickson

AMOCO, one of the leading US oil companies, reported a 52 per cent drop in first-quarter earnings due to lower crude oil and natural gas prices and squeezed downstream margins.

The Chicago-based group reported earnings of $234m, or 47 cents a share, compared with $492m, or 98 cents, in the same period last year. Revenues fell to $6.4bn from $7.3bn.

The figures were helped by a $67m tax benefit and $20m due to early debt retirement, partly offset by a $39m Norwegian tax charge.

Mr Laurance Fuller, chairman, said: "The earnings decline reflects lower crude oil and natural gas prices and continued weak margins and sales volumes for chemicals and lower margins for refining, marketing and transportation."

The company, which previously announced a capital and exploration budget of $3.7bn for the year, said it was re-evaluating this in view of the "current adverse economic conditions affecting the industry".

Domestic exploration and production earnings of $145m were down 33 per cent, while foreign activities incurred an $11m loss, compared with earnings of $95m. Refining, marketing and transport made $65m, down from $214m, while chemicals earned $35m, compared with $83m.

Union Carbide blames decline on falling prices

By Nikki Tait in New York

UNION Carbide, the US chemicals company, reported an 8 per cent fall in first-quarter profits to $72m after tax .

Revenues totalled $1.187bn, against a restated $1.32bn in the first three months of 1991.

The company blamed the fall on declining prices. It added that the first-quarter slip was smaller than expected, given the 14 per cent drop in chemicals and selling prices year-on-year.

Mr Robert Kennedy, chairman, noted that weak selling prices and further downward pressures on margins were expected to affect the second quarter.

The first-quarter figures include profits of $33m from Union Carbide Industrial Gases, up 22 per cent on the previous year.

This division, which was reported as a discontinued business, is due to be spun off to Union Carbide shareholders by the end of the second quarter.

The profits figure came from sales of $668m.

● Warner-Lambert and Schering-Plough, two large US drugs companies, reported strong earnings gains in the first three months of 1992. Warner posted a 17 per cent improvement in after-tax profits, at $164m.

Total sales increased by 8 per cent to $1.31bn.

Schering-Plough reported first-quarter after-tax profits of $193.3m. This compared with $173.2m for the same period a year earlier. Sales were up from $949.3m to $1.02bn.

INVESTORS IN INDUSTRY

3i GROUP PLC

Inc. in England under the Companies Act 1948 to 1967 Reg. No. 1142830

3i GROUP PLC

£75,000,000

FLOATING RATE NOTES 1994

FOR THE THREE MONTH PERIOD
21ST APRIL, 1992 TO 21ST JULY, 1992

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 10⅝ per cent per annum and that the interest payable on the relevant interest payment date, 21st July, 1992 against Coupon No. 31 will be £1,320.87 from Notes of £50,000 nominal and £132.09 from Notes of £5,000 nominal.

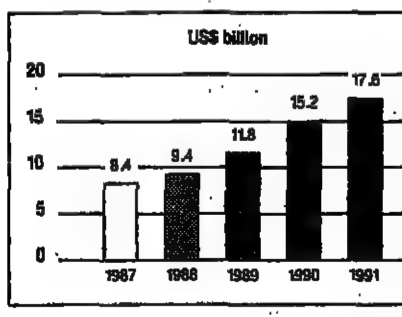
S.G. WARBURG & CO. LTD.
(Agent Bank)

CREDIT AGRICOLE PROVIDES ITS CLIENTS THE SERVICES OF THE BIGGEST FRENCH BANK AND ONE OF THE 10 LARGEST BANKS IN THE WORLD

In a difficult economic climate, marked by a slowdown in loan demand, a dearth of savings and increasing risks, Crédit Agricole has calmy continued to expand for the benefit of its customers. It has also reinforced its strength.

Financial analysts rate banks according to three criteria. By far the most important is the amount of equity capital. Then comes profitability, and finally balance-sheet size. Judged by these three criteria, Crédit Agricole is the biggest French bank and is ranked amongst the 10 largest banks in the world.

Equity (and equivalent): continued growth



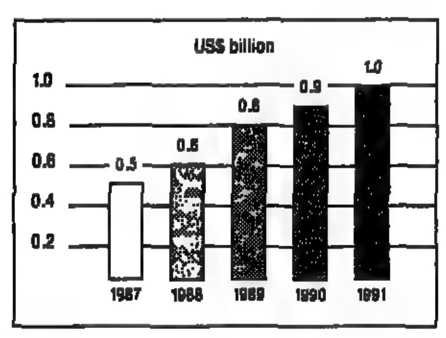
Financial Strength: Impressive equity capital

Equity amounted to US$17.6 billion, an increase of 16% over the corresponding figure of 1990, which makes Crédit Agricole the biggest French bank and one of 10 largest in the world.

Despite the downgradings of numerous competitors, Crédit Agricole retained its high rating.

Financial Strength: regular profit growth

As in previous years, Crédit Agricole's profits continued to grow in 1991. For the full year they amounted to almost US$ 1.0 billion (+ 5.5%), which places Crédit Agricole first among French banks and makes it one of the highest earners in the banking world.



Net Income

Financial Strength: Increased market share

During 1991 Crédit Agricole collected a further US$ 19.3 billion of funds and at year-end total savings under management amounted to US$ 280 billion. This achievement was made possible given Crédit Agricole's capacity to offer the right products to its clients.

Loans outstanding increased 5% during the year to reach US$ 191 billion at year-end.

The size of its balance-sheet makes Crédit Agricole the biggest French bank and one of the 10 largest in the world.

Above all, our strength lies in our customers' confidence.

Le bon sens

Bangkok, Barcelona, Beijing, Chicago, Frankfurt, Geneva, Hong Kong, Jakarta, Lisbon, London, Luxemburg, Madrid, Milan, New York, Rio de Janeiro, San Francisco, Santiago, Singapore, Tokyo.

The annual report of Crédit Agricole is available on request:
Caisse Nationale de Crédit Agricole - Corporate Communication: 91-93 Bd Pasteur - 75015 Paris, or by ringing 33 (1) 43.23.35.00

All of these securities having been sold, this advertisement appears as a matter of record only.

CAPITAL RE

6,325,000 Shares

Capital Re Corporation

Common Stock
(par value $.01 per share)

1,265,000 Shares

This portion of the offering was offered outside the United States by the undersigned.

Goldman Sachs International Limited — Alex. Brown & Sons Incorporated
Conning International Inc. — Deutsche Bank Aktiengesellschaft
N M Rothschild & Sons Limited — Société Générale
Swiss Bank Corporation — Yamaichi International (Europe) Limited

5,060,000 Shares

This portion of the offering was offered in the United States by the undersigned.

Goldman, Sachs & Co. — Alex. Brown & Sons Incorporated
Bear, Stearns & Co. Inc. — The First Boston Corporation — Dillon, Read & Co. Inc.
Donaldson, Lufkin & Jenrette Securities Corporation — A.G. Edwards & Sons, Inc.
Kemper Securities Group, Inc. — Lazard Frères & Co. — Lehman Brothers
Merrill Lynch & Co. — Montgomery Securities — Morgan Stanley & Co. Incorporated
Oppenheimer & Co., Inc. — Prudential Securities Incorporated — Salomon Brothers Inc
Smith Barney, Harris Upham & Co. Incorporated — Wertheim Schroder & Co. Incorporated
Dean Witter Reynolds Inc. — Conning & Company — Advest, Inc.
William Blair & Company — The Chicago Corporation — Cowen & Company
Dain Bosworth Incorporated — Legg Mason Wood Walker Incorporated — Piper, Jaffray & Hopwood Incorporated
Rauscher Pierce Refsnes, Inc. — Raymond James & Associates, Inc.
The Robinson-Humphrey Company, Inc. — Sutro & Co. Incorporated — Tucker Anthony Incorporated
Wheat First Butcher & Singer Capital Markets — Crowell, Weedon & Co. — First Manhattan Co.
Folger Nolan Fleming Douglas Incorporated — Interstate/Johnson Lane Corporation
Janney Montgomery Scott Inc. — Ladenburg, Thalmann & Co. Inc.
Neuberger & Berman — Scott & Stringfellow Investment Corp.
Stifel, Nicolaus & Company Incorporated — Wedbush Morgan Securities

April, 1992

INTERNATIONAL COMPANIES AND FINANCE

Mobil declines on fall in oil and natural gas prices

By Karen Zagor in New York

MOBIL, the US oil and gas group, yesterday unveiled dramatically lower first-quarter earnings, reflecting soft prices for natural gas and crude oil and a charge to cover job cuts.

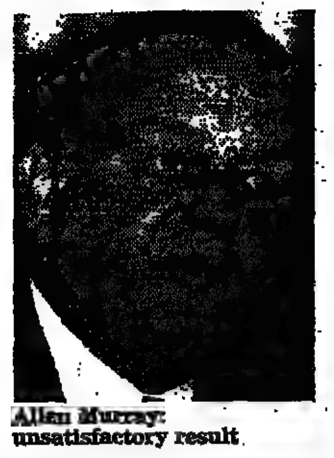
Net income for the first three months of 1992 dropped to $127m or 28 cents a share from $710m or $1.73 a share last year.

Stripping out $86m or restructuring costs in the latest quarter, Mobil's operating income declined to $213m from $710m a year earlier.

During the latest quarter, Mobil said that it would cut up to 1,000 jobs from US exploration and production by the end of the year and took charges of $105m to cover both the job reductions and an unproductive well in Peru.

Mr Allen Murray, chairman, blamed the slow rate of economic growth worldwide for the unsatisfactory first-quarter earnings.

"This was especially true in the US where the weak economy and severe competition were reflected in disappointing results for the quarter.


Allen Murray: unsatisfactory result

"Our worldwide facilities turned in a very good operating performance but oil and gas prices decreased and downstream and chemical margins were squeezed."

On Wall Street, shares in Mobil edged $¼ lower to $61⅞ at midday.

Mr Paul Miotok, an analyst at Morgan Stanley, said that he had expected a poor first quarter and had not readjusted his full-year earnings estimate of $3.30 a share, "but my estimate is already below average", he added.

"We knew that refining and marketing earnings would be down because last year's eastern hemisphere results were at record levels," he said.

In addition, exploration and production were down because oil prices have fallen by around $3 a barrel and natural gas has fallen about 40 cents per thousand cubic feet.

Mobil's earnings from exploration and production fell to $175m, including a one-time charge of $57m, compared with earnings of $371m a year ago.

The company's earnings from marketing and refining tumbled to $52m from $442m last year.

Looking to the second quarter Mr Murray said "it is still too early for substantial optimism" in spite of signs of improvement in the US economy and a recent firming of crude oil prices.

Control Data climbs to $7.7m in quarter

By Louise Kehoe in San Francisco

CONTROL DATA, the US computer products and services company, yesterday reported higher-than-expected operating results for the first quarter.

Its net earnings were boosted by a gain from the formation of a joint venture.

First-quarter net earnings amounted to $7.7m, or 18 cents per share, up from $7m or 16 cents per share in the same period last year.

Revenues for the quarter were $365.7m, down sharply from $405.8m in the first quarter of 1991.

Of the latest first-quarter results earnings from operations totalled 6 cents per share, Control Data said.

There was a net gain of $5.2m, primarily the result of a cash payment to Control Data by VNU Business Information Systems in connection with the formation of a joint venture company.

Results for the same period in 1991 also included earnings from operations of 6 cents per share and a net gain of $5.4m. The latter included the proceeds of the sale of stock in Seagate, a disk-drive manufacturer, as well as restructuring gains and losses as a result of the consolidation of operations.

Explaining the decline in revenues, Control Data said that because of accounting changes the 1991 first quarter included four months of operating results from the international operations of two of its principle business units: Computer Products and Government Systems.

Operating results for ongoing businesses, however, showed a modest gain in the first quarter, the company added.

"The information services and government systems businesses performed satisfactorily, but we believe they can do significantly better," said Mr Lawrence Perlman, president and chief executive.

Computer Products' open systems revenues have been growing rapidly, but revenues from proprietary computing continue to decline, Mr Perlman added.

"We are cautiously optimistic about Control Data's operating prospects in 1992.

"We need to be operating in a stronger economy for major improvement to occur, but we are not biding our time and waiting for economic recovery."

Control Data's banks have extended its credit and the waiver of the net earnings conditions to the end of June, the company said.

Sharp decline at Dow Chemical

By Karen Zagor

DOW CHEMICAL, the US chemicals group, yesterday turned in a 32 per cent decline in first-quarter operating income to $531m, reflecting sharply lower prices in 1992.

Dow's net income for the first three months of this year fell to $171m or 62 cents a share, from $578m or $2.13 the previous year.

Last year's results include the benefits of a one-time gain from an initial public offering of stock in Destec Energy, and higher prices linked to the Gulf war.

Sales in the latest quarter slid 6 per cent to $4.64bn from $4.95bn.

The results continue to reflect the weak state of the US chemicals industry.

Dow's earnings have fallen steadily since 1989 when it turned in a record profits of $2.49bn or $9.20 a share.

Mr Frank Popoff, president and chief executive, said comparisons with last year were very difficult "because of the rapid escalation of prices during the Gulf war.

"The good news is that pricing has become relatively stable over the past six months, feedstock costs have declined and we have probably reached the bottom of the economic cycle in the US."

Dow's chemical and performance products division saw a 56 per cent drop in first-quarter operating income to $95m, although product sales fell only 9 per cent to $1.1bn.

Dow said that the decline was led by chlorinated solvents and softer demand for caustic soda, although vinyl chloride showed signs of volume recovery.

The group's plastic products division also suffered a 56 per cent decline in operating income to $95m on a 10 per cent fall in sales to $1.6bn.

Dow's hydrocarbons and energy business posted an operating loss of $30m, compared with operating income of $24m, while sales fell 30 per cent to $385m.

The company's consumer specialties division – which brought in more than half of Dow's total operating income of $1.7bn in 1991 – had first-quarter operating income of $342m, up 17 per cent from the previous year.

Sales rose 9 per cent to $1.5bn.

Mr Popoff said that the company remained optimistic it would have "positive earnings momentum during the second half of 1992", although the chemical industry tends to lag any upward economic movement by as much as six months.

Struggling Zenith slips deeper into red

By Barbara Durr in Chicago

ZENITH Electronics, the struggling US television manufacturer, suffered a loss of $28.6m, or 98 cents per share for the first quarter. This compares with a loss of $23.7m, or 85 cents per share, in the year-ago period.

The company said the poor results reflected lower colour television sales and prices, compared with those of last year and continuing recessionary conditions for its other electronic products.

Television sales were affected by price cuts by competitors, causing Zenith to slash its prices, and inventory decreases by several national retailers. First-quarter results were also affected by launch costs for the company's new larger screen and higher resolution video monitors.

Mr Jerry Pearlman, Zenith chairman, said the second quarter was expected to continue to be difficult because of the slow US economic recovery.

He added that benefits from the company's cost reduction programmes were not expected to be felt until the second half of the year.

The company's fortunes appear in the longer run to hang on the success of its Digital Spectrum Compatible HDTV system, developed with AT&T. Testing of the system began in March and is expected to be completed in May.

The US Federal Communications Commission plans to adopt a new digital broadcast system for HDTV in 1993.

Transamerica profits soar

By Nikki Tait in New York

SHARES IN Transamerica, the San Francisco-based financial services group, bounced $2⅝ higher to $46¼ at midday yesterday, following news of sharply higher first-quarter profits.

The company reported earnings of $83.6m after tax, as against $57.2m (before an item to cover accounting changes) last year, with earnings per share up from 70 cents to $1.04.

Transamerica's insurance operations turned in $55.8m, compared with $77.6m in the same period last year.

This was primarily due to the US company's reduced stake in Sedgwick, the UK-based insurance broker which now stands at 25 per cent, compared with 39 per cent a year earlier.

The life business reported earnings of $43.7m, up from $39.1m in the first quarter of 1991.

On the finance side the commercial lending division moved into the black – reporting a $3.1m profit, compared with a $24.4m loss last time.

Consumer lending went ahead to $24.6m, against $22.9m the year before.

Union Pacific improves 9%

By Nikki Tait

UNION PACIFIC, one of the largest US transportation companies, yesterday reported a 9 per cent improvement in first-quarter profits, at $145m after tax.

The core railroad operations saw earnings advance by 6 per cent to $136m, while operating profits were up by 11 per cent. The company said lower fuel prices, productivity gains and stronger traffic volumes contributed to the improvement.

Union Pacific's operating revenues overall were unchanged at $1.74bn. Earnings per share were 71 cents, against 66 cents a year ago.

AEGON Insurance Group

AEGON N.V., registered offices at The Hague, The Netherlands

Shareholders are invited to attend the Annual General Meeting of Shareholders to be held in the "Residentiezaal" of the Promenade Hotel, 1 Van Stolkweg, The Hague, The Netherlands on Wednesday, May 13th, 1992 at 2.30 p.m.

Agenda
1. Opening.
2. Minutes.
3. Information about the results of the first quarter of 1992.
4. Report, approval of annual accounts and components of the dividend concerning the 1991 financial year.
5. (Re)appointment of members of the Supervisory Board as per May 13th, 1992.
6. Vacancies in the Supervisory Board in 1993.
7. Appointment of members of the Executive Board.
8. Revision of the remuneration of the members of the Supervisory Board.
9. Appointment of Auditors.
10. Amendment of the Articles of Incorporation.
11. Designation and authorization as respectively laid down in article 5, paragraphs 1 and 2, and article 4, paragraph 16 in the Articles of Incorporation.
12. Further information from the Executive Board.
13. Matters arising.
14. Questions and closing.

The agenda with explanations, the annual account and the report 1991 with the data required by law and information required by law with respect to the (re)appointment of members of the Supervisory Board and a copy of the proposed amendments of the Articles of Incorporation are available to shareholders free of charge from the present until the end of the Meeting at the Company's offices in London.

Holders of shares to bearer or their proxies shall be admitted to the Meeting on production of a voucher showing that their share certificates or their mandator's share certificates respectively have been lodged in the United Kingdom at the ABN AMRO Bank N.V. in London. The lodging must have taken place on May 8th, 1992 at the latest.

The Executive Board

The Hague, April 22nd, 1992
50 Mariahoeveplein

Nationwide

£100,000,000
Floating rate notes
due 1998
(Issued by Anglia Building Society)

Notice is hereby given that the notes will bear interest at 10 ⁵/₈ % per annum from 21 April, 1992 to 21 July, 1992. Interest payable on 21 July, 1992 will amount to £132.09 per £5,000 note and £6,604.34 per £250,000 note.

Nationwide Building Society
Agent: Morgan Guaranty Trust Company
JPMorgan

Bank of China
U.S. $200,000,000
Floating Rate Notes 1992

In accordance with the provisions of the Notes, notice is hereby given that, for the six month period 23rd April, 1992 to 23rd October, 1992, the Notes will bear interest at the rate of 4⁷⁄₁₆ per cent. per annum. Coupon No. 10 will therefore be payable on 23rd October, 1992, at US$5,639.32 per coupon from Notes of US$250,000 nominal and US$225.57 per coupon from Notes of US$10,000 nominal.

S.G.Warburg & Co. Ltd.
Agent Bank

All these securities have been sold, this announcement appears as a matter of record only.

New Issue — *16th April, 1992*

CPC-COMPANHIA PETROQUÍMICA CAMAÇARI
(incorporated with limited liability in the Federative Republic of Brazil)

U.S.$75,000,000
Guaranteed Floating Rate Notes due 1994-1997
guaranteed by
MITSUBISHI KASEI CORPORATION
(incorporated with limited liability in Japan)
and
NISSHO IWAI CORPORATION
(incorporated with limited liability in Japan)

SANYO INTERNATIONAL LIMITED — ABN AMRO SECURITIES (FAR EAST) LTD.
BANK OF TOKYO CAPITAL MARKETS GROUP — ABN AMRO BANK N.V.

INTERNATIONAL COMPANIES AND FINANCE

Compass Airlines joint bid to remain open

By Kevin Brown in Sydney

A BID by the Republic of Nauru and an Australian merchant bank for Compass Airlines will remain open in spite of its rejection by the liquidator, the government's joint venture partner said yesterday.

Mr Duke Minks, managing director of Austfin, an Australian merchant bank, said he was confident the A$54.7m ($41.9m) bid for the airline would be accepted next week.

Mr Ian Ferrier, the Compass liquidator, has signed a binding agreement to accept a rival offer of A$50m for 75 per cent of Compass from Southern Cross Airlines, an Australian company seeking to enter the aviation market.

However, Mr Minks said he believed Southern Cross might be unable to raise sufficient funds to finance the deal, leaving the field clear for the Nauru/Austfin offer.

"If we were given the go-ahead next week, we could start up 90 to 120 days after [reaching] a binding agreement," he said.

Mr Minks said the government of Nauru, a tiny Pacific island state, was keen to break into the Australian aviation market even if the liquidator continued to refuse to accept the offer.

Under the joint venture proposals, the government of Nauru would own 75 per cent of Compass, with the balance being acquired by Austfin.

Compass shareholders would receive A$4.28m in cash, plus a 10 per cent discount on tickets for three years. Creditors would be given ticket vouchers worth A$21.5m, and a further A$29m in vouchers would be provided for customers holding unused tickets.

Compass collapsed amid financial and customer confusion in December.

● Mr John Hutchinson, provisional liquidator of AAA Airlines, another putative entrant to the Australian market, said he would ask a New South Wales court today to adjourn winding-up proceedings for eight weeks.

Hyundai close to default on bill

By John Burton in Seoul

IN A SIGN of growing financial pressure on the Hyundai group, the conglomerate's construction subsidiary yesterday said it nearly defaulted on a commercial bill this week.

South Korea's second biggest conglomerate has encountered problems obtaining credit in recent weeks due to a feud with the government over the political ambitions of Mr Chung Ju-yung, the group's founder. The Hyundai group needs a constant flow of credit to service its large debt.

Hyundai Engineering and Construction was unable to pay Won9.5bn ($12.2m) due on Monday on a commercial bill issued by the Korean Exchange Bank (KEB), its main creditor bank, because it had difficulty raising a loan on the secondary financial market to repay the debt. However, it cleared the debt the next day after the KEB made an emergency loan.

Other Hyundai companies have also reported difficulties caused by the credit squeeze. Hyundai Motors reported that it was cutting by 40 per cent this year's planned Won700bn investment programme because of its inability to obtain some industrial loans. It was therefore slashing spending on plant and equipment to Won200bn from Won380bn, while cutting its research and development budget to Won220bn from Won320bn.

The KEB has threatened to cut off industrial investment loans to five Hyundai companies, including Hyundai Motors, for six months due to alleged violations of the country's strict credit controls. Korean commercial banks operate under close government supervision.

The state-run Korea Development Bank also said it would deny the group's request for Won300bn in loans for plant facilities because it feared the creditworthiness of the group would be damaged by its dispute with the government.

Mr Chung recently said the Hyundai group is in danger of collapsing by the end of the year if the credit squeeze continues.

But analysts believe Mr Chung is exaggerating the threat facing the group in an effort to force the government to back down from its apparent pressure on Hyundai.

The disclosure of the troubles affecting the construction and auto subsidiaries may be part of this psychological campaign.

Mr Chung said the collapse of Hyundai could seriously harm the Korean economy.

Fairfax adds detail to prospectus

By Kevin Brown

JOHN FAIRFAX, the Australian newspaper group, yesterday issued a supplementary prospectus for the flotation of 25 per cent of its shares in response to a claim for damages of A$175m (US$134m) from Independent Newspapers (INP), the Irish group controlled by Mr Tony O'Reilly.

Mr Neville Miles, the Sydney stockbroker who is advising Fairfax on the flotation, said the board considered it would be "prudent" to ensure investors were fully aware of INP's action.

INP lost a bidding battle for Fairfax in December, when the group was acquired by a consortium led by the Daily Telegraph, the UK newspaper group controlled by Mr Conrad Black.

Fairfax says the action launched by INP is without foundation, and claims it is intended to disrupt the flotation, under which 173.25m shares are being offered for sale at A$1.20, capitalising the group at about A$830m.

The supplementary prospectus says the extent of the damages claimed by INP had not been quantified when the prospectus for the flotation was issued last month. INP's solicitors now estimate the claim at A$175m on the basis that A$1.30 per share would constitute fair value for Fairfax shares.

The flotation is the last stage in the Fairfax group's recovery from a 1988 buy-out of the former family shareholders by Mr Warwick Fairfax, then 28. The group was placed in receivership by its banks in 1990.

The prospectus forecasts net profit of A$57m for the year to June 1993, on revenue of A$782m. Pre-tax profit is forecast to be A$123m in the current year, and A$165m in 1992-1993.

Fairfax publishes the Sydney Morning Herald, The Age in Melbourne, the Australian Financial Review and a number of other magazines and regional newspapers. It is the main competitor to Mr Rupert Murdoch's News Corporation, Australia's largest newspaper publishing group.

Bangkok Bank sharply higher

By Victor Mallet in Bangkok

BANGKOK Bank, Thailand's largest bank, yesterday reported sharply higher first quarter net profits as the sector continued to benefit from the differential between the fast falling cost of deposits and slowly declining lending rates.

Net profit rose to Bt2.42bn ($93.7m), or Bt24.25 per share, from Bt1.32bn, or Bt17.03, a year earlier. Revenue for the quarter was Bt19.0bn, up from Bt17.7bn last year but lower than in the previous two quarters. Assets at the end of March rose to Bt810.1bn from Bt531.8bn a year earlier.

The Thai Farmers Bank said its net profit in the quarter rose to Bt1.05bn from Bt601.3m, with earnings per share up to Bt15.04 from Bt12.03. Revenue rose to Bt10bn from Bt9.6bn, and assets were Bt320.3bn against Bt280.1bn. The Bank of Asia and the Bangkok Bank of Commerce also announced improved profits.

Thai banks have been pushing down deposit rates much faster than lending rates, although important clients can use their clout to get more favourable treatment at the expense of smaller companies and individuals. "The bank deposit cartel is functioning again," commented one broker, noting that mortgage rates of around 16 per cent contrasted starkly with the banks' costs of about 7 per cent.

Brokers are generally bullish about the larger Thai banks, whose shares continue to trade at modest earnings multiples in an economy growing at an estimated 8 per cent a year. Although the banks may lose market share to non-bank financing as the local financial services industry develops, their shares will also benefit from the reduced need for capital after repeated calls on the market in recent years.

Kao Corp climbs 3% over year

By Neil Weinberg in Tokyo

KAO Corp, the Tokyo-based soap, cosmetics and chemicals manufacturer, yesterday announced a 3 per cent rise in parent net profits to Y22.7bn ($169m) for the year to March on a 3.8 per cent advance in sales to Y591.8bn.

Consolidated sales rose 10.3 per cent to Y729.9bn and consolidated net profits edged ahead 0.2 per cent to Y20.0bn. The company said emphasis on enhanced product quality enabled it to increase sales, despite slower domestic economic growth.

Non-consolidated household product sales grew 3.9 per cent to Y512.3bn, with the largest gain of 5.0 per cent to Y203.7bn for personal care and cosmetic items. Chemical sales grew 3 per cent to Y79.5bn.

The largest increase of 8.3 per cent to Y25.7bn was for fatty chemicals. Aggressive marketing activities led to strong gains in fatty alcohol and glycerin sales.

Parent company sales for the current year are forecast to rise 4 per cent to Y615bn and net income by the same amount to Y23.5bn.

Kao expects consolidated sales to rise 4 per cent to Y760bn and consolidated net profits by 12.5 per cent to Y22.5bn. The dividend is being increased to Y5 per share, up from Y4.1.

Earnings at Comalco fall 60% in first quarter

By Kevin Brown

COMALCO, the Australian aluminium producer, yesterday said profits fell by about 60 per cent in the first quarter to the end of March, compared with the year-ago first quarter.

However, Mr John Ralph, chairman, said the result was "a significant recovery" from the last quarter of 1991, when Comalco reported an operating loss.

Mr Ralph told the annual meeting that the result was better than anticipated, mainly because of an unexpected improvement in metal prices. Aluminium is currently quoted at about 62 US cents a pound on the London Metal Exchange – the highest since May last year.

Mr Ralph said world aluminium production had remained fairly flat in the first two months of the year, but inventory levels had climbed. As a result, prices were likely to weaken in the absence of a notable increase in consumption or further cuts in production.

The board does not expect the level of first-quarter profits to be maintained, implying a fall in full-year operating profits, Mr Ralph said.

Comalco reported an operating profit of A$21.5m (US$16.5m) in 1991, down 85 per cent on the previous year. The group reported a loss of A$72m after taking account of extraordinary losses of A$94m.

Mitsui merger talks suspended

MITSUI Petrochemical Industries and Mitsui Toatsu Chemicals, both part of the Mitsui group, are suspending talks on a possible merger, Reuter reports from Tokyo.

Mr Shogo Takebayashi, Mitsui Petrochemical president, said: "We need a cooling-off period since our merger plans were leaked to the public in their early stages. But we have not yet abandoned the merger plans with Mitsui Toatsu."

NOTICE TO THE HOLDERS OF WARRANTS
TO SUBSCRIBE FOR SHARES OF COMMON STOCK OF

GUNZE LIMITED

Issued in conjunction with

U.S. $100,000,000 2 per cent. Notes due 1992
(the "U.S. $ Notes 1992")

and

U.S. $150,000,000 4⅛ per cent. Notes due 1993
(the "U.S. $ Notes 1993")

Pursuant to Clause 4(C) of each of the Instruments dated 14th May, 1987 and 22nd June, 1988 under which the above described Warrants were issued, respectively, and Condition 11 of each of the Terms and Conditions of the Warrants, we hereby notify as follows:

1) On 16th April, 1992, Gunze Limited issued U.S. $130,000,000 3⅜ per cent. Notes due 1996 with Warrants to subscribe for shares of common stock of the Company ("Shares") at the price of Yen 592 per Share, being less than each of the current market prices (as defined in Clause 3 of each of the Instruments) of the Shares.

2) Accordingly, the subscription prices at which Shares are issuable upon exercise of the above mentioned Warrants will be adjusted pursuant to Clause 3 of each of the Instruments and Condition 7 of each of the Terms and Conditions of the Warrants, effective as of 16th April, 1992 Tokyo Time as follows:

Warrants issued in conjunction with the U.S. $ Notes 1992:
Subscription Price before adjustment: Yen 837.30
Subscription Price after adjustment: Yen 822.10

Warrants issued in conjunction with the U.S. $ Notes 1993:
Subscription Price before adjustment: Yen 1,062.70
Subscription Price after adjustment: Yen 1,043.40

GUNZE LIMITED
1 Zeze Aono-cho, Ayabe City,
Kyoto, Japan

23rd April, 1992

By: The Mitsubishi Bank, Limited
as Principal Paying Agent

MEETING OF NOTEHOLDERS

Ciments Français

Société Anonyme au capital de 542.684.650 FF
Siège Social: Tour Générale, 5 Place de la Pyramide
F-92800 Puteaux

RCS Nanterre B 599 800 885

Notice of 2nd Meeting

of the holders of the FF 350,000,000 6¼% Equity Notes due 1996 principal payable in ordinary shares of SOCIETE DES CIMENTS FRANCAIS.

As the meeting held on 17th April, 1992 did not obtain the required quorum, notice is hereby given that another General Assembly of the holders of the above Notes issued by CIMENTS FRANCAIS will be held at Tour Générale, 5 Place de la Pyramide, F-92800 Puteaux on 30th April, 1992 at 10.30 a.m.

Agenda

- Rapport du Conseil d'Administration
- Approbation de l'apport partiel d'actif de la branche d'activité afférente à la fabrication et vente de ciment en France métropolitaine de CIMENTS FRANCAIS à la société Ciments de la Loire, sous réserve de la décision des actionnaires de la société bénéficiaire et de la société apporteuse.

Any Noteholder may attend or be represented at this Meeting. For the purpose of obtaining voting certificates or appointing proxies the holders are required to deposit their Notes at the latest five business days prior to the Meeting at the offices of Banque Paribas Luxembourg, 10A Boulevard Royal, L-2093 Luxembourg.

The Board of Directors

Notice of Redemption

IRELAND

US$300,000,000

Floating Rate Notes due 2000

NOTICE IS HEREBY GIVEN that pursuant to Paragraph 6(b) of the terms and conditions of the above-mentioned Notes, that Ireland has elected to redeem on 29th May 1992 (the "Redemption Date") all of its outstanding US$300,000,000 Floating Rate notes due 2000 (the "Notes") at the redemption price equal to the principal amount thereof plus interest accrued to the Redemption Date. On and after the Redemption Date, interest on the Notes will cease to accrue.

The Notes should be presented and surrendered to the paying agents as shown on the reverse of the Notes on the Redemption Date with all interest coupons maturing subsequent to said date. Coupons due 29th May 1992 should be detached and presented for payment in the usual manner.

April 23, 1992
By: Citibank, N.A. (CSSI Dept)
London Principal Paying Agent

CITIBANK

REPUBLIC NATIONAL BANK OF NEW YORK

A SUBSIDIARY OF REPUBLIC NEW YORK CORPORATION

Consolidated Statements of Condition

(Dollars in thousands)

Assets	March 31, 1992	March 31, 1991
Cash and due from banks	$ 314,984	$ 293,128
Interest bearing deposits with banks	8,775,523	8,159,798
Precious metals	412,443	248,186
Investment securities	7,817,537	5,184,750
Trading account assets	259,612	86,886
Federal funds sold and securities purchased under resale agreements	1,043,243	508,064
Loans, net of unearned income	4,444,226	4,828,411
Allowance for possible loan losses	(173,922)	(180,751)
Loans (net)	4,270,304	4,647,660
Customers' liability on acceptances	1,441,816	2,018,833
Premises and equipment	303,815	318,456
Accrued interest receivable	270,676	285,465
Investment in affiliate	531,501	510,918
Other assets	436,616	366,916
Total assets	$25,879,070	$22,622,058

Liabilities and Stockholder's Equity	March 31, 1992	March 31, 1991
Non-interest bearing deposits:		
In domestic offices	$ 667,119	$ 657,164
In foreign offices	107,872	229,048
Interest bearing deposits:		
In domestic offices	4,031,832	4,551,107
In foreign offices	12,462,564	10,766,192
Total deposits	17,269,387	16,203,511
Short-term borrowings	2,533,049	969,807
Acceptances outstanding	1,447,676	2,022,351
Accrued interest payable	215,888	195,519
Other liabilities	604,426	474,014
Long-term debt	1,914,206	1,104,377
Stockholder's Equity:		
Cumulative preferred stock, $100 par value: 1,000,000 shares outstanding in 1991	–	100,000
Common stock, $100 par value: 4,600,000 shares authorized; 3,550,000 shares outstanding	355,000	355,000
Surplus	1,060,654	860,228
Retained earnings	358,784	337,451
Total stockholder's equity	1,774,438	1,652,679
Total liabilities and stockholder's equity	$25,879,070	$22,622,058
Letters of credit outstanding	$ 1,168,886	$ 1,337,999

The portion of the investment in precious metals not hedged by forward sales was $4.6 million and $13.8 million in 1992 and 1991, respectively.

REPUBLIC NEW YORK CORPORATION

Summary of Results
(In thousands except per share data)

	Three Months Ended March 31, 1992	Three Months Ended March 31, 1991
Net income	$ 60,404	$ 54,670
Cash dividends declared on common stock	$ 13,004	$ 12,043
Per common share		
Net income:		
Primary	$ 1.04	$ .97
Fully diluted	$ 1.02	$ .97
Cash dividends declared	$ .25	$ .23½
Average common shares outstanding:		
Primary	52,020	51,587
Fully diluted	55,828	51,594

World Headquarters: Fifth Avenue at 40th Street, New York, New York 10018
(29 offices in Manhattan, Bronx, Brooklyn, Queens and Westchester & Rockland counties)
Member Federal Reserve System/Member Federal Deposit Insurance Corporation/Member New York Clearing House Association

BEVERLY HILLS • CAYMAN ISLANDS • LOS ANGELES • MEXICO CITY • MIAMI • MONTREAL • NEW YORK
BUENOS AIRES • CARACAS • MONTEVIDEO • PUNTA DEL ESTE • SANTIAGO • RIO DE JANEIRO • BEIRUT • GENEVA • GIBRALTAR
GUERNSEY • LONDON • LUGANO • LUXEMBOURG • MILAN • MONTE CARLO • PARIS • ZURICH • HONG KONG • JAKARTA • SINGAPORE • TAIPEI • TOKYO

These securities have not been registered under the Securities Act of 1933 and may not be sold in the United States or to U.S. persons absent registration or any applicable exemption from the registration requirements. All of these securities have been sold, this announcement appears as a matter of record only.

CHILECTRA

Distribuidora Chilectra Metropolitana S.A.

2,900,000 American Depositary Shares
(Representing 29,000,000 ordinary shares)

Price U.S. $25.08 per ADS

International offering
J.P. Morgan Securities Ltd.

Bear, Stearns & Co. Inc.

Bear, Stearns International Limited

Chase Investment Bank Limited

Credit Lyonnais Securities (USA) Inc.

Inverlat International Inc.

U.S. private placement agent
Morgan Guaranty Trust Company

JPMorgan

February 1992

Christiania Bank og Kreditkasse

(Incorporated in the Kingdom of Norway with limited liability)

U.S.$100,000,000

Floating Rate Subordinated Notes Due October 1997

Notice is hereby given that the Rate of Interest has been fixed at 4.5625% and that the interest payable on the relevant Interest Payment Date October 23, 1992 against Coupon No. 14 in respect of US$10,000 nominal of the Notes will be US$231.93 and in respect of US$250,000 nominal of the Notes will be US$5,798.18.

April 23, 1992, London
By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANK

U.S. $400,000,000

National Westminster Finance B.V.

(Incorporated in The Netherlands with limited liability)

Guaranteed Floating Rate Capital Notes 2005

In accordance with the provisions of the Notes, notice is hereby given that for the six months Interest Period from April 23, 1992 to October 23, 1992 the Notes will carry an Interest Rate of 4⅜% per annum. The interest payable on the relevant interest payment date, October 23, 1992 against Coupon No. 15 will be *U.S. $222.40.*

By: The Chase Manhattan Bank, N.A.
London, Agent Bank

April 23, 1992

INTERNATIONAL CAPITAL MARKETS

Hanson £500m fixed-rate issue tests investor resolve

By Tracy Corrigan

HANSON, the UK industrial conglomerate, yesterday launched the largest sterling fixed-rate Eurobond to date, a £500m offering via Credit Suisse First Boston.

Although the five-year deal was fairly priced, the size was considered extremely ambitious for corporate debt which is not rated by the leading agencies.

INTERNATIONAL BONDS

The resounding success of Hanson's £500m convertible bond offering last year was not to be repeated. But the deal performed well, despite some scepticism about the size of the transaction.

"The market really needed to tap the broadest investor base possible in order to absorb this sort of size," one underwriter said. "CSFB will have to work very hard to make this deal work."

Central banks, which would have been buyers of a large sovereign or supranational bond offering, do not buy corporate paper, and some fund managers cannot buy paper which is not rated by Moody's or Standard and Poor's, the two leading US-based rating agencies. (They only rate Hanson's short-term debt; however, Hanson's long-term debt is rated by IBCA, the UK-based agency.)

However, CSFB stood firm, buying back some loose paper through brokers, and managed to maintain confidence in the transaction.

By the end of trading, the deal was bid at 99.75, slightly above the fixed price reoffer level, and the spread had tightened from 80 basis points above the five-year US Treasury at launch to 78 basis points. Signs that the deal is set to tighten further, against a steady gilts market, could well bring in further demand in the next few days to mop up any remaining paper.

In the longer term, the existence of such a large corporate benchmark is a positive step for the sterling bond market. Alongside last year's £350m 10-year deal for British Gas, the growing availability of liquid corporate paper is likely to broaden the market's appeal.

The return of continental European investors, whose worries about currency weakness have been allayed by the rally in sterling following the election victory of the ruling Conservative party, helped boost distribution of the paper.

The deal was unswapped, as Hanson took advantage of the lower rates available in the sterling bond market following the post-election rally in the gilts market.

Other UK companies continue to eye the sector, but may decide to await a further interest rate cut before tapping the market.

Hanson will use the proceeds of the issue to refinance bank debt, so lengthening the maturity of its debt profile. Hanson currently has up to £8bn of bank debt, according to a company official. Another aim is "to widen the type of security available to investors in the international markets", said Mr Derek Bonham, Hanson's chief executive.

Attractive swap opportunities in the Canadian dollar market prompted two more offerings totalling C$500m, despite generally thin demand.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
US DOLLARS						
Unibanco(b)†	100	10	98.367	1995	1¼	Citicorp Invest.Bk.
Japan Fin.Corp.(a)†	200	8	99.95	2002	32.5/12.5	Bk.Tokyo Capital Mkts.
STERLING						
Hanson Plc.(a)†	500	10⅝	101.288	1997	1⅞/1.725	Crdt.Suisse Fst.Bstn.
CANADIAN DOLLARS						
OKB(a)†	200	9	101.56	1997	1⅞/1.725	Lehman Brothers Intl.
KFW Intl.Finance(a)†	300	9½	101.207	2002	32.5bp	Merrill Lynch Intl.
YEN						
Sanyo Electric Co(c)‡†	15bn	(c)	100.15	1997	0.20/0.25	Nikko Europe
SWISS FRANCS						
Asian Develop.Bank(a)†	300	7	101.75	2004	-	Swiss Bank Corp.
Nihon Nohyaku Co.(a)♦	60	4	100	1996	-	Coutts & Co AG
GUILDERS						
Raiffeisenbank(a)†	150	8.5	100.925	1997	1/5⅛	Rabobank Nederland
AUSTRIAN SCHILLINGS						
Nat.Bank of Hungary(a)†	600	10.375	100.375	1999	2.10	Cd'tanstalt-Bankverien

★★Private placement. §Convertible. ♦With equity warrants. ‡Floating rate note. †Final terms. a) Non-callable. b) Coupon payable semi-annually. Non-callable. c) Coupon pays 57bp below Long Term Prime rate. Non-callable.

The swap activity generated by these two transactions appeared to weaken interest on the paying side of the market, reducing further opportunities.

A C$300m 10-year deal for Kreditanstalt für Wiederaufbau, the German agency, met firm demand, particularly in the Far East. The attractive pricing of the deal, at a spread of 45 basis points over the comparable government bond yield, prompted steady buying, even though paper from previous deals remains unsold.

A C$200m five-year deal for the Osterreichische Kontrollbank, guaranteed by the Republic of Austria, was priced at a spread of 32 basis above the comparable government bond yield.

In the dollar sector, a $200m 10-year deal for the government-guaranteed Japan Finance Corporation for Municipal Enterprises, known as JFM, was well received. The deal was priced to yield 30 basis points above the 10-year Treasury, and was swiftly sold out to investors in Europe and the Far East. The deal was bid around its fixed reoffer level of 99.95.

Unibanco, the privately-owned Brazilian Bank, tapped the dollar sector for the second time in two months, raising a further $100m. The three-year deal was prompted by excess demand for Unibanco's previous two-year deal, according to arranger Citicorp.

ABN Amro takes stake in Spanish stockbroker

By Ronald van de Krol in Amsterdam

ABN Amro, the largest bank in the Netherlands, has deepened its involvement in Spain's capital markets by taking a 90 per cent direct stake in the Madrid-based stockbroking firm Capital Markets Equities (CME).

The Spanish firm, which will be renamed ABN Amro SVB, is to expand the scope of its activities to include investment funds, portfolio management, futures and options, new issues and corporate finance services. Separately, Spanish authorities have given permission for the firm to trade on the country's capital markets on its own account, as well as for clients.

The Dutch bank's investment was made by raising its existing stake in CME's parent company, C. M. Capital Markets Holding, to 49 per cent from 20 per cent. This move, plus an equity injection, cost "several tens of millions of guilders," ABN Amro said, without giving details. The Spanish firm will continue to be run by local management.

ABN Amro, which is steadily building up a network of local investment banking operations in Europe and the Far East, signed a letter of intent in February to buy the European activities of Hoare Govett, the London-based stockbroking arm of Security Pacific of the US. ABN Amro said it expected the deal to be finalised in the second quarter of 1992.

Banco Santander lifts operating profit 32%

By Peter Bruce in Madrid

BANCO Santander, one of Spain's largest commercial banks, yesterday reported a 32 per cent increase in operating profits to Pta29.08bn ($278m) for the first quarter of 1992, citing a 26 per cent rise in its lending margins.

Santander, which owns 10 per cent of Royal Bank of Scotland and 13 per cent of First Fidelity Bancorp in the US, said its group net profit rose 19.35 per cent to Pta20.69bn in the first three months of 1991.

The bank said its interest-bearing current account – launched in the autumn of 1989 – had made an important contribution to the improved lending margin. These accounts originally cost most Spanish banks dear after they joined battle with Santander but the high interest rates originally being offered have since cooled considerably.

Despite Santander's good first quarter figures, banking analysts in Madrid are still predicting a difficult year for local banks.

Treasuries trade narrowly as dealers prepare for auction

By Patrick Harverson in New York and Richard Waters in London

US Treasuries traded in a narrow range yesterday morning as the bond markets prepared for the afternoon auction of two-year notes.

GOVERNMENT BONDS

By midday the benchmark 30-year government issue was down 1/32 at 99 31/32, yielding 8.021 per cent, while at the short end of the market the two-year note was unchanged at 100 11/32, yielding 5.352 per cent. Trading activity was reported to be light.

In the absence of fresh economic reports, the attention of investors and dealers was firmly focused on the afternoon sale of $14.75bn in two-year notes. The modest gains earned at the short end amid sporadic buying and occasional short-covering by professional traders suggested that interest in the issue was relatively firm, and by midday the new securities were quoted in when-issued form at 5.43 per cent, slightly below Tuesday's levels.

■ THE UK government bond market marked time as investors digested news of the latest £2.5bn auction, due to be launched next Wednesday. The 25-year bonds were quoted yesterday in partly-paid form to yield around 9 per cent, almost identical with yields on other benchmark gilt issues with maturities stretching to 15 years and beyond.

Analysts expect a successful auction to provide gilts with another lift, giving a lease of life to the post-election rally which has run out of steam this week. A lacklustre response, though, could point to a difficult period ahead for the heavy UK borrowing programme.

Yesterday, sterling's strength on the foreign exchange market – widely attributed to strong buying overnight in the Far East – helped gilts to get off to a good start. Money supply figures for March, which showed weaker growth than had been expected, added to the positive mood for the bond market. The figures were taken with a pinch of salt in some quarters, though, since they related to the month ahead of the UK election, when uncertainty about the outcome generally held back activity.

The 9 per cent gilts maturing in 2011 opened slightly firmer at 99 11/32 and traded higher to end the day at around 99 13/32, giving a yield of 9.04 per cent. The 9¾ per cent gilts maturing in 2002, meanwhile, gained 1/32 to end the day at 103 7/32.

■ ELSEWHERE in Europe, government bond markets drifted up in thin trade. In France, there were reports of switching out of 10-year and into five-year bonds as some investors positioned themselves for a possible interest rate cut, encouraged by a strong performance from the franc. However, such flurries of activity are still widely seen as highly speculative, given last autumn's failure to sustain a French interest rate cut.

Yields on French 10-year bonds remained stubbornly over 70 basis points, despite widespread expectations of a decline in the wake of the recent government reshuffle. Fears of fiscal easing, and political concerns about next year's national elections, continue to figure high in most investors' minds.

German government bond prices edged up in listless trading as the market continued to await a new direction for bunds. One possible source for such a direction is the public sector pay dispute: with a strike ballot starting yesterday, the market may not have to wait much longer for a resolution. Technical trading helped the futures contract on Liffe to a gain on the day, rising from its opening of 87.94 to end the day at 87.95.

■ AFTER their setbacks of recent days, Japanese government bonds marked time yesterday. With a sombre mood still hanging over the market, the yield on the benchmark bond no 129 rose on the day to 5.645 per cent, from 5.625 per cent the day before.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		10.000	10/02	101.8811	+0.381	9.76	9.71	10.11
BELGIUM		9.000	08/01	101.2500	+0.050	8.78	8.75	8.84
CANADA *		8.500	04/02	97.2500	-0.050	8.92	8.84	8.83
DENMARK		9.000	11/00	101.2700	+0.200	8.76	8.79	8.83
FRANCE	BTAN	8.500	03/97	98.2039	+0.076	8.77	8.77	8.87
	OAT	8.500	11/02	98.9100	-0.020	8.64	8.61	8.69
GERMANY		8.000	01/02	100.4800	+0.080	7.92	7.89	8.00
ITALY		12.000	02/02	98.3500	-0.080	12.29†	12.25	12.38
JAPAN	No 119	4.800	06/99	94.1525	-0.002	5.97	5.78	5.80
	No 129	6.400	03/00	104.1579	-0.087	5.64	5.47	5.36
NETHERLANDS		8.250	02/02	98.7000	-0.080	8.28	8.25	8.37
SPAIN		11.300	01/02	102.6200	+0.050	10.76	10.74	10.91
UK GILTS		10.000	11/96	103-11	+1/32	9.36	9.32	10.00
		9.750	08/02	103-27	+6/32	9.15	9.10	9.21
		9.000	10/08	99-22	+7/32	9.04	8.98	9.60
US TREASURY *		7.500	11/01	99-21	+1/32	7.55	7.33	7.61
		8.000	11/21	99-19	-4/32	8.04	7.96	8.08

London closing, *New York morning session. Yields: Local market standard. † Gross (including withholding tax at 12.5 per cent payable by non-residents.) Prices: US, UK in 32nds, others in decimal. Technical Data/ATLAS Price Sources

CBOT plans new index

By Barbara Durr in Chicago

THE Chicago Board of Trade, the world's largest futures exchange, has signed a letter of intent to co-operate with Knight Ridder Financial to develop an international commodity index future.

The index will be calculated and disseminated by the Commodity Research Bureau (CRB), a subsidiary of Knight-Ridder Financial. It will be production-weighted and consist of 18 commodity futures.

Mr William O'Connor, CBOT chairman, said the exchange believed that the contract will appeal to institutional investors and commodity trading advisers around the world.

A CRB index future currently trades on the New York Futures Exchange, but it is weighted differently.

MARKET STATISTICS

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 6:05 pm on April 22

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield	OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ABN 9 1/8 94	200	105	105⅜	[illegible]	6.66	BAYERISCHE VEREINS INT 7 94 LFr	600	94⅛	95⅜	[illegible]	9.48
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day = Change on day. FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread = Margin above six-month offered rate (three-month above mean rate) for US dollars. C.cpn = The current coupon. CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

© The Financial Times Ltd., 1992. Reproduction in whole or in part in any form not permitted without written consent. Data supplied by International Securities Market Association.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	27	24	27
Other Fixed Interest	6	2	9
Commercial, Industrial	315	257	889
Financial & Property	207	93	491
Oil & Gas	11	17	60
Plantations	0	0	9
Mines	24	30	93
Others	40	52	55
Totals	630	475	1,633

LONDON RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1992 High	1992 Low	Stock	Closing Price p	+or-	Net Div.	Times Cov'd	Gross Yield	P/E Ratio
100	F.P.	–	[illegible]	[illegible]	Andorable Smaller	[illegible]	[illegible]	[illegible]	–	4.7	–
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1992 High	1992 Low	Stock	Closing Price £	+or-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1992 High	1992 Low	Stock	Closing Price p	+or-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] F Dividend and yield based on prospectus or other official estimates for 1992-93. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. [illegible] reorganisation, merger or takeover. pm Price at a premium.

TRADITIONAL OPTIONS

- First Dealings Apr. 13
- Last Dealings May 1
- Last Declarations July 23
- For settlement August 3

3-month call rate indications are shown on this page.

Calls in Cabra Estates, Cannon Street Invs., J.A. Devenish, Dowty, Fisons, MS Intl., Proteus Intl., Tarmac, Unitech and Wilshaw. Put and call in Dowty.

LIFFE EQUITY OPTIONS

Option		Calls			Puts		
Allied Lyons (*606)	550	79	85	100	1	5½	9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TRADITIONAL OPTION 3-month call rates

	p								
■ INDUSTRIALS		Charter Cons.	37	Ladbroke	17	Sears	8	■ OILS	
Allied-Lyons	49	Comm Union	32	Legal & Gen	27	SmKl Bchm A	65	Aviva Pet	30
Amstrad	5½	Courtaulds	39	Lex Service	16	TI	48	BP	21
Asec (BSR)	3	Eurotunnel	34	Lloyds Bank	29	TSB	9½	Burmah Castrol	38
BAT Inds	50	FKI	8½	Lonrho	15	Tesco	19	Conroy Pet	8
BOC	49	FNFC	8	Lucas Inds	10½	Thorn EMI	58	Gaelic Res	½
BTR	32	Forte	18	Marks Spencer	24	T & N	11½	Premier Cons	2½
Barclays	30	GKN	26	Midland Bank	19	Unilever	70	Shell	33
Blue Circle	20	Gen Accident	31	NatWest Bank	23	Vickers	12	Tuskar Res	½
Boots	35	GEC	15	P & O Dfd	30	Wellcome	72	■ MINES	
Bowater	56	Glaxo	60	Racal Elect	5	■ PROPERTY		RTZ	42
Brit Aerospace	30	Grand Met.	70	RHM	16	Brit Land	18		
British Steel	6	GRE	10	Rank Org	52	Land Sec.	32		
Brit Telecom	24	Hanson	16	Ratners	3	MEPC	26		
Cadburys	33	ICI	90	Reed Intl	39	Mountleigh	1½		

Davies & Newman warns of downturn

By Angus Foster

DAVIES & NEWMAN, the holding company for Dan-Air, the UK-based airline, yesterday warned of a "material reduction" in 1992 profits compared to forecasts made during the company's refinancing last October.

Mr David James, the company doctor who became chairman in 1990 when D&N came close to collapse, said market conditions in the first quarter this year were disappointing.

He blamed continuing recession and uncertainty caused by the election, which reduced business travel especially. However, he reported a "dramatic upturn" in passengers and forward bookings since the election result.

Forecasts made during the refinancing of £22m profits this year are now unattainable. "Nonetheless, we believe it is still feasible to see a return to profit in 1992, subject to a market recovery at the levels we anticipate," he said.

D&N announced pre-tax losses of £35.5m in the year to December 31, in line with forecast losses of £35m and ahead of 1990 losses of £38.7m. Turnover of £317.8m was slightly ahead of forecasts of £312.1m, but below 1990's £365.2m. The shares fell 11p to 90p.

Only two of four Boeing 727-200s due for disposal were sold during the period, raising a surplus of £1.31m. However, a third aircraft has since been sold.

The interest charge fell to £7.23m (£9.74m) as proceeds of the £49.3m placing reduced borrowings and brought gearing down to 67 per cent, from 518 per cent a year earlier.

John Olsen, who was appointed as group chief executive earlier this month

Exceptional items totalled £11.4m (£4.15m), which included a £7.5m special fee to Lloyds Bank and others for extending banking facilities. The closure of the airline's charter base in Berlin cost a further £1.1m.

Extraordinary profits of £7.39m, compared to forecasts of £7.1m, came from the sale of Dan-Air Engineering.

The company is not paying a dividend.

There was a retained loss of £13m. But after accounting for expanded share capital, shareholders' funds increased to £42.8m (£15.1m).

Mr James said changes promised during the refinancing were all under way. Licences for seven new scheduled routes had won approval from the Civil Aviation Authority, although two routes, Cairo and Istanbul, were pending approval from their respective governments.

The fleet's average age has been reduced to 12.1 years (14.5 years) and the 1995 target remains 5.4 years.

Mr James said he would stay with the company for up to one more year. This follows the appointment earlier this month as group chief executive of Mr John Olsen, who joined from Cathay Pacific.

COMMENT

Should yesterday's warning on 1992 profits be seen as an inevitable reaction to grim markets, or as an admission that last October's forecasts were unrealistic? Certainly the assumption of a 7 per cent increase in European passenger yields for this year now looks optimistic, after yields have already been undercut by static business travellers in the first few months. The problem for investors, and for Mr James, is judging whether the strong pick up since the election is sustainable or another false dawn. Those who do not yet quite buy D&N's recovery potential may prefer to wait until the annual meeting for a clearer update. Until then, City forecasts for this year of £5m profits put the shares on a multiple of more than 20, suggesting the market has already discounted the upside.

Toyota out of talks over R-R takeover

By Kevin Done, Motor Industry Correspondent

TOYOTA, the leading Japanese car maker, yesterday ruled itself out of further negotiations with Vickers for a possible takeover of the UK engineering group's troubled Rolls-Royce Motor Cars subsidiary.

Mr Shoichiro Toyoda, Toyota president, disclosed that Vickers, which holds its annual meeting in London today, was concerned that talks between the two companies should reach an early conclusion.

"Rolls-Royce asked Toyota to make a quick decision [on whether to acquire the company]. Toyota refused the offer as we did not have enough time to consider [the acquisition]," he told a press conference in Osaka, Reuter reported.

Mr Toyoda gave no further details of the talks.

Vickers has confirmed that it has been holding talks with a number of international companies about the possible sale of its luxury car subsidiary, which plunged into heavy losses last year.

It has refused to reveal the identity of potential buyers, although it is understood that the most serious negotiations to date have been held with BMW, the German executive and luxury car maker, which already has some limited technology links with the UK prestige car maker.

Advertising downturn in US and UK behind 31% drop at Wace

By Andrew Bolger

WACE GROUP, the printing services company, blamed the downturn in the London and New York advertising markets for a 31 per cent drop, to £18.3m, in pre-tax profits for the year to December 31.

Mr Frans ten Bos, chairman, said the group had "produced a resolute performance against an acute recessionary environment in both the UK and US". Turnover rose to £305m (£235m), reflecting the inclusion of a full year from Parkway and Ripley Group.

The chairman said his "main priority during 1991 was to rationalise and integrate the acquisitions made by Wace in recent years".

The group shed 500 jobs during the year, about 9 per cent of the worldwide total, and a further 190 jobs had gone since the year-end.

Wace said the difficult property market had caused it to write down its portfolio of investment properties by £8.2m (£10.8m).

The property write-down, together with a £16.4m write-off of goodwill associated with earn-outs in the year, decreased the group's net assets to £78.7m (£95.5m). This, along with a rise in net borrowings to £82.4m (£53.4m), had caused gearing to rise to 105 per cent. However in December, a private placement of $60m (£33.8m) senior loan notes had improved the profile of the group's debt with £78m being repayable after more than two years.

Mr ten Bos said it was the board's firm intention to reduce borrowings to a more acceptable level, though this might be difficult to accomplish fully in the short term.

"Although the first half is traditionally quiet for Wace, the first three months of 1992 have given the group a sound start to the year," he said.

"Currently, the European operations are performing strongly; certain aspects of the UK market remain difficult, but with competition still being removed through closures and liquidations, the outlook for 1992 is optimistic; and the US market is begining to show signs of improvement."

Earnings per share fell to 12.6p (25.5p) after the payment of a full year's preference dividend. The final dividend is held at 6p, giving an unchanged total of 8.25p. Mr ten Bos said the maintained dividend – covered 1.5 times by earnings – reflected the board's confidence in the future.

COMMENT

No more skeletons appear to be lurking in the Wace cupboard – named Clegg or anything else. That was the key message which the group sought to convey to the City yesterday, and it seems to have succeeded. Gearing is high and is unlikely to fall until Wace can make some significant property disposals. However, the other ratios – dividend and interest cover – look fairly comfortable. Barclays de Zoete Wedd, the house broker, is forecasting a cautious £23m, which puts the shares on a modest prospective multiple of 7.7. Although the shares rose from 119p to 127p, the question must be why they did not regain more of the ground lost since last year's peak of 284p. Doubtless the thought of the DTI inquiries casts a shadow over the company, but the shares look oversold at this level – and could attract a predator.

China urges HSBC not to raise Midland bid

By Simon Holberton in Hong Kong

CHINA yesterday re-entered the debate on Hongkong and Shanghai Bank's bid for Midland Bank, urging it not to increase its offer for the UK clearer.

The semi-official China News Service (CNS) said it would be "unfair" to Hongkong Bank shareholders if it bettered the terms of its offer for Midland. It said Midland's shareholders would be the losers if the bid did not go though on Hongkong Bank's terms.

It is unclear what prompted CNS to make these comments but they coincide with reports that Lloyds Bank would consider making an offer for Midland when its board meets today. If this happens the Hongkong Bank might be forced to increase its offer.

That said, yesterday's comments on the Midland bid were, by implication, the most positive a mainland Chinese organ has made on Hongkong Bank's offer in that they suggested China was comfortable with the deal as proposed.

The news service, however, questioned whether Hongkong Bank should use its inner reserves to pay for the takeover of Midland. It asserted that the bank's inner reserves should have been HK$30.6bn (£2.25bn), instead of the HK$25.3bn it declared in its offer documents.

But CNS misunderstood the Hongkong Bank's offer document. The bank declared its reserves gross of £190m merger costs and an estimated £200m tax liability. These remain contingent on the bid's acceptance and are conservative estimates of what it might have to pay.

Jessups back in the black with £189,000

By Peggy Hollinger

Jessups, the Essex-based motor dealer, returned to profit with £189,000 pre-tax for the six months to February 29, compared with a £189,000 loss last time.

Mr John Ganney, finance director, said the swing into the black had been achieved through cost-cutting and a reduction in interest charges.

The decline in base rates and a fall in turnover, resulting in fewer leasing obligations, helped to cut interest charges from £1.5m to £978,000. Debt was reduced from £16.3m to £15m.

Sales fell from £45m to £38.3m, and Mr Ganney warned that the figures continued to be depressed.

The interim dividend is maintained at 1.5p.

First quarter rise at AIB's US offshoot

First Maryland Bancorp, Allied Irish Banks' wholly-owned US subsidiary, lifted pre-tax income in the first quarter to $30.8m (£17.2m) against $14.7m.

After tax of $10.6m ($4.29m) net income for the three months to March 31 rose by 93 per cent to $20m ($10.4m).

The directors said that increases in fee income, lower provisions for possible credit losses and continued attention to cost control all contributed to the favourable performance.

Ross at £1.3m in first results since full listing

By Peggy Hollinger

ROSS GROUP, the rapidly growing packaging and electronics company, yesterday unveiled profits of £1.28m in its first full set of annual results since coming to the main market through last year's reverse takeover of Whittington Group, the giftware company.

Mr Noel Hayes, group managing director, said the results were not comparable with the £847,000 loss reported in 1990, as that year's figures represented only Whittington's performance.

All of Whittington's businesses had been sold since the takeover, resulting in a below-the-line gain of £3.5m, he said.

Comparing the businesses before Whittington with the current Ross Group, pre-tax profits for the year to December 31 rose from £989,000. This year's result had been depressed by offsetting the £400,000 costs of closing Whittington's head office against the operating profits.

Mr Hayes said the group had increased its market share in both the packaging and consumer electronics divisions. The introduction of new products, such as camcorder batteries, had boosted consumer electronics, while "hard work" and new contracts had helped packaging.

The acquisition of Traveller International in April had contributed about £150,000 to profits, Mr Hayes said.

Stellar, the seventh company acquired by Ross in the last 18 months, had made a marginal contribution to profits as it was included for just one month.

Stellar's loss-making Brighouse site – which produces battery chargers and electrical plugs and accounted for about £2m in losses last year – made a marginal deficit in the first quarter, Mr Hayes said.

Net debt stood at £4.5m, representing about 28 per cent of shareholders' funds.

The final dividend is 0.3p, making a total of 0.45p. Earnings per share were 1.5p.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

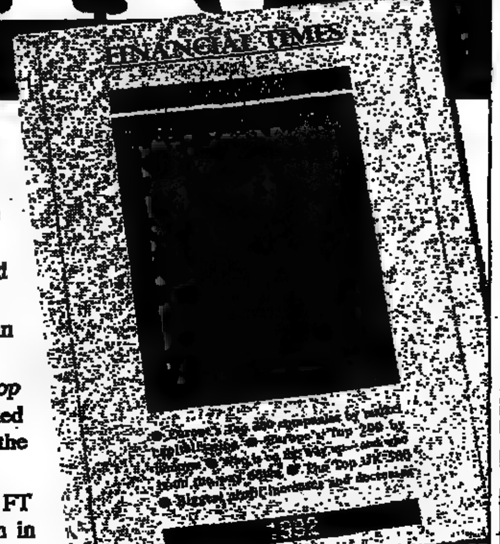
1/2 hour Period ending	Provisional Pool for Trading on [illegible]: Pool purchase price £/MWh	Final Prices for Trading on [illegible]: Pool purchase price £/MWh	Pool selling price £/MWh
0030	16.82	16.95	16.95
0100	16.82	17.73	19.00
0130	16.86	24.99	26.49
0200	16.89	24.99	26.45
0230	16.93	18.68	19.94
0300	16.93	18.68	19.94
0330	16.88	16.91	16.91
0400	16.67	16.85	16.85
0430	16.88	16.85	16.85
0500	16.85	16.79	16.79
0530	16.69	16.76	16.76
0600	16.69	16.75	16.75
0630	16.69	16.80	16.80
0700	16.93	16.88	16.88
0730	16.76	17.79	16.95
0800	26.99	19.71	20.00
0830	26.99	20.41	21.77
0900	26.99	23.01	24.48
0930	24.00	23.40	24.89
1000	22.39	23.49	24.92
1030	22.39	23.44	24.94
1100	21.28	23.48	24.97
1130	21.28	24.77	26.35
1200	21.27	27.94	29.63
1230	21.27	27.90	29.57
1300	21.28	26.92	28.51
1330	19.09	22.20	23.59
1400	18.80	21.92	23.30
1430	18.80	21.13	22.47
1500	18.80	21.12	22.47
1530	18.80	21.12	22.47
1600	18.80	19.36	20.65
1630	18.80	19.36	20.65
1700	18.80	19.46	20.75
1730	18.80	21.91	23.27
1800	18.80	21.91	23.28
1830	18.75	21.01	22.36
1900	18.69	25.10	26.58
1930	18.61	25.12	26.54
2000	17.07	25.06	26.50
2030	17.07	24.92	26.33
2100	26.98	20.38	21.69
2130	26.98	18.70	19.97
2200	26.98	18.37	19.63
2230	23.99	16.87	16.87
2300	17.07	16.84	16.84
2330	16.89	16.78	16.78
2400	16.82	16.76	16.76

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £16.88/MWh becomes 1.688p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The provisional Pool Purchase Price is subject to revision or correction until final pool prices are determined approximately twenty-four days after the day of trading. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Final pool prices are also capable of revision.

NGC Settlements Limited

NB Correction: The final pool purchase price for the half hour period ending 0030 on 30th March 1992 should have read £16.90 and not £8.00 as published in the issue dated 15th April 1992.

THE POWER PACK.



The "FT European Top 500" is now published in book form.

It is a permanent reference of the most useful listings of Europe's biggest, most powerful companies, showing how they are positioned for 1992.

This year the companies are also ranked by turnover and sector (including separate UK Top 500 lists).

Now the single market is upon us, it will be more useful than ever to keep up with the pack.

Use the coupon below to order copies of the "FT European Top 500". We can now also offer the complete mailing list as ready-printed labels, or on magnetic tape, and the full statistical data relating to all the companies on disc.

For more information on the mailing list, call Sue Wilson at FT List Bank (Tel. 71-799 2002) and on the data disc call Mary Batten in our FT Library (Tel. 71-873 4186).

No FT...no Newspaper of the Year.

Now published in book form

John White, Financial Times Ltd., Number One, Southwark Bridge, London SE1 9HL.

To: John White, Financial Times Ltd., Number One, Southwark Bridge, London SE1 9HL. Fax (71) 873 3072

I would like ☐ copies of the FT European 500, price £22 (inclusive of post and packaging).

Please also send me: The mailing list labels/tape* ☐ price £350* The statistical data disc ☐ price £250*

*Delete as appropriate for choice of labels or tape. *The above two items can be bought as a package – price £550

Please charge to my: American Express ☐ Mastercard ☐ Access ☐ Visa ☐ No cheques accepted

Card expiry date ______ Card number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Name ______ Title ______

Company ______ Tel ______

Address ______

______ Postcode ______

Signature ______ Date ______

(no order accepted without a signature) (offer valid until 31st December 1992)

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

CHANNEL FOUR TELEVISION

£75,000,000

SYNDICATED LOAN FACILITIES

ARRANGED BY

SAMUEL MONTAGU & CO. LIMITED

PROVIDED BY

CREDIT SUISSE — HILL SAMUEL BANK LIMITED

MIDLAND BANK PLC — WESTDEUTSCHE LANDESBANK GIROZENTRALE LONDON BRANCH

THE FUJI BANK, LIMITED — NATIONAL WESTMINSTER BANK PLC

NM ROTHSCHILD & SONS LIMITED — THE SUMITOMO BANK, LIMITED

GIROZENTRALE VIENNA LONDON BRANCH — BANQUE INTERNATIONALE A LUXEMBOURG S.A. LONDON

AGENT

SAMUEL MONTAGU & CO. LIMITED

MARCH 1992

FUTURES & OPTIONS TRADERS

FOR AN EFFICIENT AND COMPETITIVE SERVICE

BERKELEY FUTURES LTD.

15 PARK ROAD, LONDON NW1 6XN

OR TEL: C. DE ROEPER ON 071-224 0485

ELECTION VOLATILITY

IF YOU HAVE A VIEW, TAKE A POSITION

CONTACT: ADRIAN FRANCIS ON 071-245 1010

ECU TRADEINVEST PLC, 30 GRESHAM PLACE, SW1

MEMBER OF THE SECURITIES AND FUTURES AUTHORITY

The Chart Seminar

Presented by David Fuller · 24th year

London 27 & 28 April

Amsterdam 29 & 30 June

Details from Chart Analysis Limited

7 Swallow Street, London W1R 7HD

Call Jane Farquharson

Tel. 071-439 4961

Fax: 071-439 4966

INTERESTED IN SPORTING SPREAD BETS?

For competitive prices on all major sporting events call Sporting Index on 071 820 9789/80. Open 7 days a week. Or see Sky Sports Text p221 or Reuters 'Spin'.

The Specialists in Sports Spread Betting.

IG INDEX

TAX-FREE* SPECULATION IN FUTURES

CAL

MEMBER SFA

FINANCIAL FUTURES AND FOREIGN EXCHANGE SERVICE 24 HOURS

CAL Futures Ltd

162 Queen Victoria Street

London EC4V 4BS

Tel: 071-329 3030

Fax: 071-329 3918

ABN·AMRO Holding N.V.

established in Amsterdam

GENERAL MEETING OF SHAREHOLDERS

The annual General Meeting of Shareholders of ABN AMRO Holding N.V. will be held at 22, Foppingadreef, Amsterdam-Zuidoost at 2.00 p.m. on Friday, 15 May 1992.

Agenda

1 Report of the Managing Board for the year 1991.

2 Approval of the 1991 financial statements adopted by the Supervisory Board. This approval will ratify the actions of the Managing Board and Supervisory Board, in accordance with article 37(5) of the articles of association.

3 Report of the Shareholders' Committee.

4 Authorisation of the Managing Board for a period of eighteen months as from today to have the company acquire for a consideration shares in its own capital up to such number as may, by virtue of the provisions of section 98(2) of Book 2 of the Netherlands Civil Code, be so acquired by the company at that particular point of time by means of any agreement, including stock market and private transactions. The price shall be between the nominal value of the shares and 110% of the market value, which is understood to mean the average of the highest share prices on each of the last five days of trading preceding the date of acquisition, as published in the Official Price List of the Amsterdam Stock Exchange, without prejudice to the provisions of section 164 of Book 2 of the Netherlands Civil Code.

5 Authorisation of the Managing Board for a period of five years starting as from today, subject to the approval of the Supervisory Board:
a. to issue shares and to grant pre-emptive rights up to the aggregate current or future amount of the unissued authorised capital on such dates, at such prices, provided not below par and subject to the provisions of section 80(2) of Book 2 of the Netherlands Civil Code, and on such terms as the Managing Board, with the approval of the Supervisory Board, shall determine on the occasion of each issue.
b. to restrict or withdraw the granting of pre-emptive rights in the case of a share issue.

6 Any other business.

The agenda and the annual report for the year 1991, including the financial statements, are open for inspection and may be obtained free of charge at the office in Amsterdam, 597 Herengracht and the banks mentioned below.

All shareholders and holders of depositary receipts may attend the meeting either in person or by a proxy authorised in writing, provided that the holders of ordinary bearer shares and depositary receipts have deposited their share certificates and depositary receipts, respectively, not later than Monday, 11 May 1992, at one of the following banks:

Netherlands: any office of: ABN AMRO Bank N.V.

United Kingdom: National Westminster Bank Plc., (Stock Office Services, Station Way, Crawley), ABN AMRO Bank N.V. (London, Birmingham and Manchester)

Holders of registered shares wishing to attend the meeting either in person or by a proxy authorised in writing must inform the Managing Board of the company in writing of their intention to do so (P.O. Box 600, 1000 AP Amsterdam) not later than Monday, 11 May 1992.

Persons other than shareholders and holders of depositary receipts who are entitled to attend the meeting must also notify the Managing Board of the company in writing of their intention to do so not later than Monday, 11 May 1992.

Subject to the provisions in the Articles of Associations, holders of ordinary shares and preference shares may exercise their voting rights at the meeting.

The receipt in exchange for the deposited shares or depositary receipts will serve as the attendance card for the meeting. The holders of registered shares will receive an attendance card by post.

The report referred to in article 14 of the Trust Conditions of Stichting Administratiekantoor ABN AMRO Holding on the activities performed by the Trust Office during the year under review is included in the company's annual report.

The Managing Board,

Amsterdam, 23 april 1992

ABN·AMRO Holding N.V.

COMPANY NEWS: UK

Austin Reed lower after reorganisation costs

By Richard Gourlay

AUSTIN REED, the clothing manufacturer and retailer, yesterday reported an 11 per cent fall in profits and a cut in the final dividend after trading was badly affected by the recession and the Gulf war.

Pre-tax profits for the year to January 31 fell from £3.6m to £3.2m on sales down 5 per cent at £67.9m. This was after £800,000 of reorganisation and redundancy costs.

Earnings per share fell from 9.5p to 7.9p and the company is recommending a 3p (6.5p) final dividend, bringing the total for the year to 6p (9.5p). Mr Barry Reed, chairman, said the dividend was cut to ensure dividends were at least covered by earnings.

"I have not had to cut a dividend in 20 years," Mr Reed said. Last year, when the dividend was only just covered by earnings the company had thought things would get better. Mr Reed now believed it would be a long haul out of recession for the retail trade despite an election result that was favourable for business.

"Profitability will continue to be under pressure until at least the second half of the year", he said. "Sixty per cent of our business is in London and the south-east. Regent Street is up, but the three City stores are still running behind last year and recession has gradually spread north to Leeds and Scotland in the last year."

The manufacturing business was also being hit by falling exports as recession hit in continental Europe.

During the year the retailing division increased margins and reduced overheads. Sales only fell 2.5 per cent from its 37 continuing retail outlets.

The three manufacturing companies – Austin Reed International, Chester Barrie and Stephens Brothers – were all hit by lower retail sales and turnover fell 15 per cent.

Barry Reed: first dividend cut in 20 years

Lower capital expenditure and falling interest rates helped reduce the interest charge from £2.9m to £2.4m and gearing fell from 27 per cent to 21 per cent.

Walker Greenbank falls to £5.4m

WALKER GREENBANK, the wallcoverings and fabrics group, produced a pre-tax profit of £5.42m in the year to January 31, compared with £8.03m previously.

Although the 1990 disposal programme and recession caused a decline in turnover to £56.8m (£75.3m), sales in the core wallcoverings business remained almost static at £46.8m (£47m) while its operating profit rose 9 per cent to £6.8m. Brymor, acquired in February 1991, contributed £3m turnover and £1.87m operating profit.

Pre-tax profit was struck after exceptional charges of £212,000, comprising reorganisation and closure costs of £1.43m, less £1.16m profit on sale of properties and trade investments of £53,000. There was still a surplus property portfolio, which would be sold as the market reovered.

Earnings per share were 4.14p (5.63p). The proposed final dividend is held at 1.9p for a same-again total of 3.1p.

Downturn at GT Management

By Philip Coggan, Personal Finance Editor

GT MANAGEMENT, the investment management group which is owned by the Bank in Liechtenstein, saw pre-tax profits fall by 7 per cent in 1991 despite strong growth in its US mutual fund business.

Funds under management rose from £5.3bn to £6.6bn, but commission and fee income rose only 4 per cent to £67.3m (£64.7m). That reflected a reduction in initial commission income (the charge made when funds are purchased by retail investors) from the high levels achieved in 1990.

In addition, the 1990 profit figure of £20.9m included an exceptional item of £2.9m. If that item was excluded, the 1991 pre-tax figure of £19.4m actually represented a 7 per cent rise.

The US mutual funds business, based in San Francisco, saw funds under management rise 31 per cent to nearly $4bn (£2.2bn). US retail funds now represent a third of assets under GT's management. Mr Peter Stevens, chief executive, also said that the UK pension fund business grew by 25 per cent last year.

GT has set up an operation in Dublin, where it intends to concentrate the administration of its offshore funds, which are currently domiciled in a wide range of locations – including the Cayman Islands and the Netherlands Antilles.

NEWS DIGEST

Bentalls declines to £1.43m

BENTALLS, which operates seven department stores in the south-east of England, saw pre-tax profit fall from £3.32m to £1.43m in the year to February 1, as the expected upturn in trade over the last quarter failed to materialise.

However, the dividend is maintained at 3.85p – with a final of 3.25p – as the group looked forward to improved retail trading and to the increasing stream of rental income from the Bentall Centre.

Turnover edged ahead to £71m, including the former Lewis's store in Lakeside, Thurrock; the profit took account of a £346,000 start up deficit there. Earnings per share came to 2.21p (4.87p).

Contracting side behind Freeman fall

Results for 1991 from Freeman Group were dominated by the contracting division, which incurred operating losses of £1.1m and, when sold in February, threw up extraordinary charges of £3m.

That meant distributable reserves were eliminated, so there can be no final dividend; the total, therefore, is 3p (8.5p) from losses per share of 0.6p (earnings 21.6p). To overcome the problem directors propose a reduction in the share premium account, and expect to resume payments in October.

Pre-tax profit of this insulation distribution specialist fell from £2m to £342,000.

Continuing activities accounted for £56m (£50.3m) of turnover and £2.08m (£2.15m) of operating profit. A fall in the UK to £563,000 (£904,000) was mainly the result of reduced margins and an increase in bad debts. In France profit rose to £1.5m (£1.25m) despite an overall fall in construction activity.

ATP calls in receiver

Directors of ATP Communications, the USM-quoted advertising agency, have requested that its bankers call in a receiver.

Earlier this month the board asked the Stock Exchange to suspend dealings in the company's shares pending discussions with its bankers.

The shares were suspended at 1½p.

Air London climbs 10% to £671,000

Improved margins in all areas helped Air London International, the USM-quoted charter broker, to report a 10 per cent rise in pre-tax profit, from £611,000 to £671,000, in the six months to January 31 on turnover cut from £9.65m to £7.3m.

The interim dividend is raised to 1.6p (1.4p) on earnings per share of 5.03p (4.46p).

Substantial drop for Dencora

Pre-tax profits at Dencora, the property and housebuilding group, slumped from £2.21m to £404,000 in 1991, but the dividend is held at 5.5p.

Increased rental income, up from £7.04m to £8.81m, and profit on the sale of a Southend-on-Sea development were substantially offset by losses in housebuilding and further write-offs in commercial and housing land values. Earnings fell to 3.1p (7p).

After the Southend sale and a disposal in Norwich, bank borrowings stood at £58m. On revaluation, the investment property portfolio was written down by £10.9m to £84.5m.

Assets downturn for English National

Net asset value per preferred ordinary share of English National Investment fell from 316.7p to 288.1p over the 12 months to March 31. The figure for the deferred ordinaries declined from 241.7p to 213.1p.

After-tax revenue worked through at £510,417 (£526,089). Earnings per preferred share amounted to 16.2p (16.6p) and per deferred share 11.3p (11.7p).

A final dividend of 11.2p per preferred share and of 8.75p per deferred share makes same-again totals of 16.2p and 11.3p respectively.

Merrydown Wine acquires Piermont

Merrydown Wine, the drinks and health foods group, has acquired Piermont, the apple-flavoured spring water launched by Taunton Cider in 1984. The consideration is related to sales revenue over the next three years.

Piermont has current turnover in excess of £2m.

Reece incurs loss in second half

As foreshadowed, Reece, which has interests in glass and brick making machinery as well as cycle manufacture, ran up a loss of £137,000 in the second six months which left profits for the full 1991 year at £403,000 pre-tax.

That compared with profits of £415,000 for the preceding 15 months and came from turnover of £14.2m (£11.7m).

The group resumed dividend payments with 0.1p at the interim stage. However, the final is omitted as a consequence of a "disappointing" second half.

Kingston Oil & Gas doubles to £1.19m

Net profits of Kingston Oil & Gas, the oil and gas producer, more than doubled from £501,399 to £1.19m in the year to December 31.

Earnings per share amounted to 9.01p (4.86p) and a recommended final dividend of 1.5p lifts the total to 2.5p (1.56p).

Exmoor Dual Trust income reduced

Net taxed income dropped from £500,000 to £469,000 at Exmoor Dual Investment Trust in the six months to February 29 1992.

Earnings per income share were 5.32p (5.67p) and per ordinary share 0.94p (1p). A second interim dividend of 2.6p on the income shares makes 5.1p (5.05p) to date.

At February 29 net asset values were as follows: zero coupon preference share 153.7p, compared with 136p a year earlier; income share 61p (60.7p); ordinary share 59.2p (74.2p).

Copymore rises 10% to £1.02m

Shares in Copymore, the USM-quoted office automation equipment distributor, yesterday rose 15p to 55p following a 10 per cent rise in 1991 profits to £1.02m pre-tax.

Turnover slipped to £28.4m (£29.5m) due to the closure of two non-mainstream businesses. Interest charges were cut to £511,000 (£761,000) and earnings emerged at 5.9p (4.9p) per share. Year-end gearing was reduced from 196 per cent to 95 per cent.

Earlier this month shareholders received a second interim dividend of 1.7p in lieu of a final, making a 2.7p (2.5p) total.

Asprey purchases Scottish jeweller

Asprey, the Bond Street jeweller which last year bought Mappin & Webb for £75m, yesterday announced the acquisition of Hamilton & Inches, the Edinburgh jewellers, for an undisclosed amount.

Hamilton & Inches, which was founded in 1866 and holds a royal warrant, will have a close association with Garrard, the Crown Jewellers in London which is part of the Asprey group.

Venturi earnings edge ahead

Net asset value per capital indexed share of Venturi Investment Trust slipped from 245.65p to 244.01p over the 12 months to March 31.

The undiluted net asset value per ordinary geared share amounted to 10.03p (9.38p) with the diluted figure at 9.45p (8.93p). Net asset value per income share totalled 25.78p (25.46p).

Net income edged ahead from £211,170 to £214,856. Earnings per income share emerged at 3.58p (3.52p): the total dividend on the income shares is lifted to 3.26p (3.06p) via a final of 1.86p.

Wm MORRISON SUPERMARKETS PLC

SUMMARY OF RESULTS

Year ended 1 February	1992 £000s	1991 £000s
Turnover	1117974	909599
Operating profit	68418	57062
Profit before taxation	62649	50278
Profit after taxation	42122	33368
Earnings per share	19.76p	16.09p
Dividend per ordinary share	2.0p	1.55p

Turnover has increased by 22.9%
Profit before taxation is up 24.6%
Dividend per ordinary share has risen by 29.0%
Six new stores will open during 1992, bringing the total in operation to 59.

MORRISONS

Copies of the 1992 Report and Financial Statements may be obtained from:

The Secretary,
Wm Morrison Supermarkets PLC
Hilmore House,
Thornton Road,
Bradford, BD8 9AX.

WOOLWICH
- Building Society -
ECU 150,000,000
Floating rate notes
due 1996

Notice is hereby given that the notes will bear interest at 10.275% per annum from 22 April, 1992 to 22 July, 1992. Interest payable on 22 July, 1992 will amount to ECU259.73 per ECU10,000 and ECU2,597.29 per ECU100,000 note.

Agent: Morgan Guaranty Trust Company

JPMorgan

BRITANNIA BUILDING SOCIETY

Issue of up to £50,000,000
Floating Rate Notes
Due 2005

In accordance with the terms and conditions of the Notes, notice is hereby given that for the three month interest period from (and including) 22nd April 1992 to (but excluding) 22nd July 1992 the Notes will carry a rate of interest of 11.125 per cent. per annum. The relevant interest payment date will be 22nd July 1992. The coupon amount per £1,000,000.00 Note will be £27,660.52 payable against surrender of Coupon No: 10.

Hambros Bank Limited
Agent Bank

Up to £130,000,000
Hafnia Holdings (UK) Limited
Floating Rate Notes due 2000
£65,000,000 of which are being issued as the Initial Tranche

For the period from April 21, 1992 to July 21, 1992 the Notes will carry an interest rate of 10.95% per annum with an interest amount of £27,225.41 per £1,000,000 Note.

The relevant interest payment date will be July 21, 1992.

Agent Bank:
Banque Paribas Luxembourg
Société Anonyme

HYUNDAI MOTOR AMERICA
U.S.$40,000,000
FLOATING RATE NOTES
DUE 1998

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the six month period 21st April, 1992 to 21st October, 1992 has been fixed at 5 1/4 per cent per annum. Interest will therefore be payable at U.S.$6,671.88 per note on 21st October, 1992

Manufacturers Hanover Limited
Agent Bank

(a member of The Securities and Futures Authority)

Dresdner Finance B.V. Amsterdam

U.S.$ 400,000,000 Floating Rate Notes 1983/1993 with Warrants

The Rate of Interest applicable to the Interest Period from April 23, 1992 to October 22, 1992, inclusively, was determined by Morgan Guaranty Trust Company of New York, London, as Reference Agent to be 5.25 per cent per annum. Therefore, interest per Note of U.S.$ 10,000 principal amount is due on October 23, 1992, the relevant Interest Payment Date, in the amount of U.S.$ 266.88.

Dresdner Bank Aktiengesellschaft
Principal Paying Agent

Frankfurt am Main,
April 1991

Dresdner Bank Group

SUNKYONG INDUSTRIES LIMITED
US $ 50,000,000
FLOATING RATE NOTES DUE 1998

(Redeemable at the option of Noteholders in April 1996 and April 1997 and at the option of the Issuer on any interest payment date falling in or after April 1996).

In accordance with the provisions of the Notes, notice is hereby given as follows:

- Interest period: April 21st, 1992 to July 21st, 1992
- Interest payment date: July 21st 1992
- Interest rate: 4.5 per annum
- Coupon amount: US $ 2,843.75 per note of US $ 250,000

BANQUE INTERNATIONALE A LUXEMBOURG AGENT BANK

LINCOLNSHIRE & SOUTH HUMBERSIDE

The FT proposes to publish this survey on 11 May 1992.
It will be of particular interest to the 130,000 directors and managers in the UK who read the weekday FT. If you want to reach this important audience, call
Hugh Westmacott
Tel: 0532 454969
Fax: 0532 423516
Permanent House,
The Headrow,
Leeds, LS1 8DF

Data source: BMRC Businessman Survey 1990.

FT SURVEYS

INTERNATIONAL BusinessWeek

This week's topics:

- Is Japan Losing Its Vaunted Edge?
- Where U.S. Jobs Are Growing Fast
- United Airlines Targets Overseas
- Ross Perot Talks On The Issues
- Now They're Rushing For South Africa

Now available at your newsstand!

BusinessWeek International
14, av d'Ouchy, CH-1006 Lausanne Tel. 41-21-617-4411
For subscriptions call UK 44-628-23431 Hong Kong 852-523-2939

COMPANY NEWS: UK

Agnew underlines 'total commitment' to oversee revival of company

Provision increases TVS deficit to £27m

By Raymond Snoddy

MR RUDOLF Agnew, chairman of TVS Entertainment, the ITV company which lost its franchise, promised yesterday to try to raise the company "phoenix-like from the ashes."

The former chairman of Consolidated Gold Fields said yesterday that he saw it as "a very personal challenge" to stay on and try to rebuild TVS after it goes off the air at the end of this year.

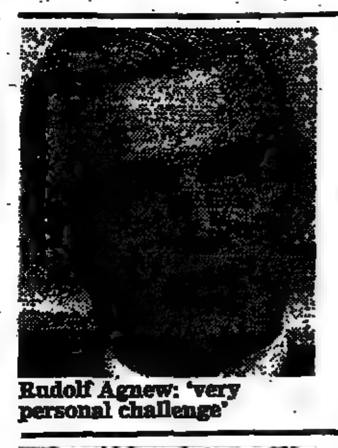
"Its a total commitment," said Mr Agnew, who still feels bitter that the company's bid of £59.75m a year was turned down by the Independent Television Commission.

He faces a big challenge. The company yesterday announced that losses at the pre-tax level jumped from £8.3m to £26.7m in 1991. The figure includes a further exceptional provision of £33.9m (£25.1m) against the programme stock of MTM, its US production subsidiary.

In addition there was an extraordinary provision of £24m (£4m) flowing mainly from the loss of its licence. This included £18.8m for the fall in the value of assets such as studios and £9.9m in redundancy costs. On top of that there was a reduction of £20.9m in the group's revaluation reserve.

TVS said the provisions were the main reason for the drop in group net assets from £111.6m to £47.4m at the end of 1991. The policy of not paying a dividend will continue. Over the year, however, net borrowing fell from £35.3m to £25.4m and is now closer to £15m.

The company's aim is to continue to service the debt which is mainly in the US and accumulate cash in the UK in the last year of the franchise. Not including the remaining debt,



Rudolf Agnew: 'very personal challenge'

TVS could have between £30m and £40m in cash when the last 30 staff bow out.

Apart from keeping its Maidstone studios and its UK programme catalogue – three bids for 800 hours of programmes were all, at less than £2m, unacceptably low – TVS will also retain MTM.

The outlook at MTM is a little brighter. *Evening Shade*, a comedy starring Burt Reynolds, produced with CBS, has been renewed until the 1993-94 broadcast season. This means there are enough episodes to licence the series to local TV stations. *The Trials of Rosie O'Neill* has also been renewed.

Apart from exploiting existing assets Mr Agnew said the company would be seeking opportunities in the leisure and communications field.

The areas being studied included independent production, television services and telecommunications. An attempt to return to broadcasting with partners when the barriers to takeovers of ITV companies are removed at the beginning of 1994 has not been ruled out.

The TVS chairman said that the company's two main French shareholders, Canal Plus and Compagnie Générale des Eaux, were sticking with TVS.

The shares yesterday added ½p to 6p.

Havelock Europa blames recession for £2.47m loss

By James Buxton, Scottish Correspondent

HAVELOCK EUROPA, the storefitting group, reported a loss of £2.47m for 1991 blaming recession for what it called a "very severe year". The final dividend is being passed.

Sir Lewis Robertson, the chairman who was installed by institutions in 1989, said there were no signs of any real improvement in the group's markets although the order position improved in the second half. Retailers had no plans for creating substantial new shopping centres in 1992.

The group, which made a pre-tax profit of £1.5m in 1990, saw turnover fall from £46.8m to £37.7m. The bulk of the pre-tax deficit was incurred in the first half and included an exceptional loss of £458,000 due to redundancy costs.

During the year big cuts were made in operating costs and overheads. The manufacturing plant at Inchinnan near Glasgow was closed to concentrate on factories at Dalgety Bay, Fife, and at Nottingham. The workforce was cut by 240 to 881.

Sir Lewis said the group was building a strong base for the future by establishing its pre-eminence in the design and development of shopfitting equipment. It aimed to become a designated supplier of leading store chains rather than being one of a number of contractors competing purely on price.

It had designed new fittings for Marks and Spencer and Boots, its main customers, and had recently won its first big order from Safeway.

Mr Hew Balfour, who Sir Lewis brought in as chief executive, said that Havelock would probably have failed altogether because of the abnormally bad period in the storefitting business if it had not been restructured over the past two years.

Sir Lewis said that distributable reserves did not justify paying a final dividend, so the interim of 1.5p stands for the year. In 1990 the group paid a total of 3.6p.

Inishtech buying florists sundries

Inishtech, which has built up a portfolio of six companies in the paper, print and packaging sectors, is diversifying with the acquisition of Douthwaite Florists Sundries of Leeds.

The initial consideration is £7.13m. There are two tranches of up to £2.38m and £6.4m in deferred consideration should profits reach certain targets. If the entire deferred consideration was to become payable then Douthwaite's pre-tax profits in 1996 would be some £6m.

In 1991 Douthwaite made a pre-tax profit of £1.61m from sales of £14.4m.

MTM wins breathing space in refinancing talks

By Paul Abrahams

MTM, the troubled speciality chemicals group, yesterday announced that it had extended the short-term credit facilities with its bankers until the end of May. They were due to expire on April 30 after the company breached its covenants.

The company said discussions were still continuing with a view to securing longer term funding.

The two main syndicates are led by Chase Manhattan of the US and Standard Chartered, the international UK-based bank. The company is believed to have debts of about £70m.

Shareholders are still waiting for the company to announce its full-year results. Publication was postponed after BDO Binder Hamlyn, the auditors, refused to sign off the accounts in a dispute about asset values.

The company is obliged by Stock Exchange rules to publish the results by June 1.

DIVIDENDS ANNOUNCED

Air London Int § ......int	1.6	June 10	1.4	-	3.2
Austin Reed ......fin	3	July 1	6.5	6	9.5
Bentalls ......fin	3.25	June 5	3.25	3.85	3.85
Capital Inds ......fin	2	June 11	-	2	-
Dencora ......fin	5.5	July 1	5.5	5.5	5.5
Densitron Intl ......fin	nil	-	1	nil	1.7
English Nat Pfd ......fin	11.2	June 17	11.2	18.2	18.2
English Nat Dfd ......fin	8.75	June 17	8.75	11.3	11.3
Exmoor Dual Tst ......int	2.6	June 5	2.6	-	10.6
Freeman ......fin	nil	-	5.5	3	8.5
Havelock Europa ......fin	nil	-	2.1	1.5	3.6
Helene ......fin	1.36	July 30	1.36	2.01	2.01
Jessups ......int	1.5	July 1	1.5	-	4.5
Kingston Oil ......fin	1.5	July 1	1	2.5	1.56
Reece ......fin	nil	-	nil	0.1	nil
Ross ......fin	0.3	May 29	nil	0.45	nil
TVS Entertainm't ......fin	nil	-	nil	nil	3
Venturi Trust ......fin	1.86	May 29	1.7475	3.26	3.06
Wace ......fin	6	June 22	6	8.25†	8.25
Walker Greenbank ......fin	1.9	-	1.9	3.1	3.1

Dividends shown pence per share net except where otherwise stated. †On increased capital. §USM stock.

Benlox seeks approval of creditors for restructuring

By Roland Rudd

BENLOX, the building and engineering company which formed the vehicle for an abortive £2bn bid for the retail group Storehouse in 1987, has written to shareholders seeking approval for a fundamental restructuring.

The group, which lost its Stock Exchange listing in November, will be seeking the agreement of about 20 non-bank creditors – owed £4m – at a meeting on May 8.

Agreement would enable Sheikh Amin Al-Dahlawi, who is one of the largest non-royal traders in Saudi Arabia, to inject assets into the group in return for £3m worth of shares. Shareholders will also be asked to authorise the expansion of the capital base from £6m to £20m.

The group is not revealing what assets Sheikh Amin Al-Dahlawi is proposing to inject into the group until it receives shareholder approval for the restructuring.

It may then launch a rights issue to offer shareholders the chance to participate in the company's expansion.

To mark the company's new start it is also proposing to change its name to Keatway International.

The restructuring is being spearheaded by Mr Bob Hankes-Drielsma, chairman, and Mr Paul Bloomfield, who joined Benlox in 1988 from Mountleigh, the property company.

Mr Hankes-Drielsma said shareholder approval of the proposals would put the group back on track.

It is currently working on possible transactions in eastern Europe.

Bank borrowings have been reduced from a high of £16m in November 1989, when Mr Hankes-Drielsma joined the board, to £200,000.

Trading in the company's shares may soon take place by way of Rule 535. Mr Hankes-Drielsma said was not yet trying to get a listing.

Once the restructuring goes ahead the accounts for 1989, 1990 and 1991 will be published.

CWS slips 11% to £23.1m but upbeat about prospects

By John Thornhill

THE Co-operative Wholesale Society (CWS), which is the biggest commercial farmer in the UK and a growing force in retailing, saw annual pre-tax profits fall by 11 per cent as the company encountered very difficult trading conditions in the "deepest recession since the Second World War".

But, Sir Dennis Landau, the chief executive who was presiding over his last results presentation before his retirement in June, said the company had maintained its investment programme through the downturn and was "in better shape than it has been for many years".

Profits before tax and exceptional items slid from £25.9m to £23.1m as lower investment income and a higher interest charge took their toll. But sales grew from £3.03bn to £3.14bn in the year to January 11, and trading profits were £2.5m higher at £47.1m.

CWS is a substantial food manufacturer and continues to supply goods and services to the 66 independent co-operative societies in the UK. Food manufacturing activities contributed £15.4m (£12.7m) to trading profits.

But CWS's retailing activities are becoming an increasingly important part of the overall business and contributed profits of £8.6m (£7.2m).

The retail arm was further strengthened through mergers with the Milton Keynes, Cumbrian, and Greater Nottingham societies.

A few of CWS's stores continued to trade on Sundays despite the group's initial reluctance to trading seven days a week.

CWS's other interests – spanning milk delivery, travel agencies, opticians, funeral directors, and engineering contractors – produced a mixed performance. In particular, engineering and property suffered "significant setbacks" and were unlikely to return to their former prosperity for many years, Sir Dennis said.

However, Sir Dennis, who has been chief executive for the past 12 years, finished with an upbeat assessment of the company's future prospects.

He said there had been radical changes within the co-operative movement which would ensure that CWS remained "a relevant and successful organisation for many years to come and a viable alternative to both the public and private sectors of the economy."

He said that although personally he did not favour the creation of a single co-operative society by the end of the decade he would not be surprised if one emerged.

A surplus of £22.7m (£23.2m) was shown for the year. But after swallowing reduced losses of £7.2m (£10.9m) at its banking arm, the company transferred £15.5m (£12.3m) to reserves.

Continuing pressure on margins leaves Helene down at £2.61m

Helene, the womenswear group, recorded record sales for 1991 but continuing pressure on margins cut the pre-tax profit by £1.17m to £2.61m.

Mr Michael Harris, chairman, said the increase in turnover to £73.6m (£67.9m) was creditable in the face of the recession and the low level of sales in high-street shops. Exports rose by 33 per cent to more than £13m.

The second half showed some improvement over 1990's second half and the new year had started well. Both sales and orders in hand currently showed an increase over the same period of 1991.

Extraordinary charges were £737,000 (£198,000), which, broken down, related to the cost of uncompleted acquisitions £254,000 (£84,000), the elimination of amounts owed under profit warranties £255,000 (£114,000), and closure costs of a subsidiary £228,000 (nil).

Earnings were 2.6p (3.7p) and the final dividend is again 1.36p to hold the total at 2.01p.

INTERNATIONAL DISTILLERS & VINTNERS (IDV)

GRAND METROPOLITAN'S DRINKS SECTOR

has acquired 100% of

CINZANO INTERNATIONAL S.A.

CINZANO

Rothschild & Cie

ROTHSCHILD & Cie acted as financial adviser to the MARONE-CINZANO family in this transaction.

March 1992

Tight capital. Shrinking resources. Growing competition. What a great business climate.

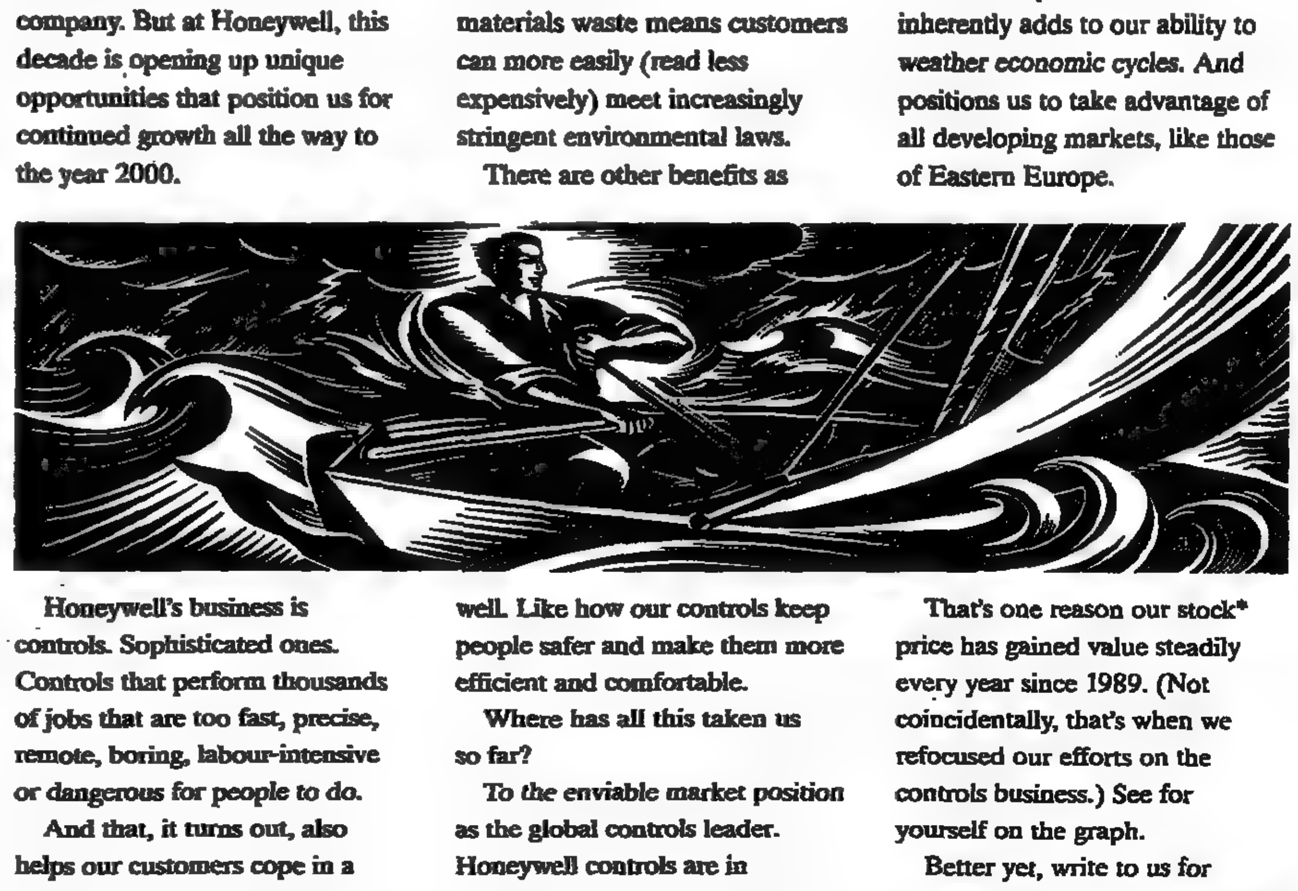
Don't misunderstand us. We're no happier about the economic environment than the next company. But at Honeywell, this decade is opening up unique opportunities that position us for continued growth all the way to the year 2000.

use of them, creating less waste. More profit.

In turn, less energy and materials waste means customers can more easily (read less expensively) meet increasingly stringent environmental laws.

There are other benefits as

90 countries on six continents. It's this broad-ranging geographic and market presence that inherently adds to our ability to weather economic cycles. And positions us to take advantage of all developing markets, like those of Eastern Europe.



Honeywell's business is controls. Sophisticated ones. Controls that perform thousands of jobs that are too fast, precise, remote, boring, labour-intensive or dangerous for people to do.

And that, it turns out, also helps our customers cope in a tough economy. By making the most of what they have in capital, resources and personnel.

So as energy prices increase, our customers can keep their costs under control. Sometimes they're even reduced. And as raw materials become more valuable, our controls help factories and plants make more efficient

well. Like how our controls keep people safer and make them more efficient and comfortable.

Where has all this taken us so far?

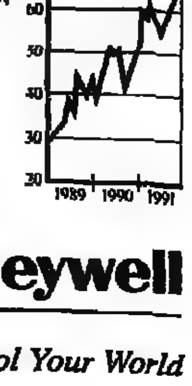
To the enviable market position as the global controls leader. Honeywell controls are in 60 million American homes and 40 million in Europe. Our avionics equipment is on virtually every aircraft in the western world. And we have the largest installed base of distributed industrial process control in the world.

One thing more. We supply and service control systems for homes, buildings, industry and aviation in

That's one reason our stock* price has gained value steadily every year since 1989. (Not coincidentally, that's when we refocused our efforts on the controls business.) See for yourself on the graph.

Better yet, write to us for complete information today.

Honeywell
Investor Relations,
Honeywell Europe,
Ave. du Bourget,
3, 1140 Brussels,
Belgium.
Or give us a call,
(322) 728-22-76.



Honeywell

Helping You Control Your World

Saudis expected to resist further Opec cuts

Deborah Hargreaves on the issues that will face oil ministers at tomorrow's meeting

WHEN THE Organisation of Petroleum Exporting Countries' last meeting in February broke up with a lukewarm agreement on an oil production cut, an immediate slide in oil prices gave rise to fears of a looming market debacle.

But this proved to be a knee-jerk reaction which was later reversed. The fact that oil prices have now recovered and are slightly higher than their February level is partly to the credit of Saudi Arabia, which moved swiftly to lead other producers in cutting output. It owes as much though, to renewed tension in the Middle East, in particular, the imposition by the United Nations of sanctions on Libya – although they do not cover oil. Traders have nervously pushed the price of North Sea Brent crude oil for June delivery up above $19 a barrel in recent days – the price slipped yesterday to $18.70.

In addition, there are glimmers of an upturn in oil demand which are heartening to some market-watchers. But most agree that oil prices are unlikely to move up significantly, much less to approach the Opec target price of $21 a barrel for its basket of crudes, in the next couple of months.

When Opec ministers meet again in Vienna tomorrow to review the state of the market they will hear renewed calls from smaller members for further cuts to be instituted in order to squeeze prices higher – the Opec basket price is at present about $17 a barrel.

Ministers have been posturing in the run-up to the meeting: Mr Nordine Ait Laoussine, the Algerian oil minister, would have preferred deeper cuts to be agreed at the last meeting. He now says Opec should not be lulled into a false sense of security by the firmness in oil prices over the past two weeks.

Mr Gholamreza Aqazadeh, Iran's oil minister, has said the producers' club needs to make further cuts in output to achieve its $21 target price. He also wanted a lower production ceiling to be adopted in February, when producers agreed to cutback by about 1m barrels a day to 23m b/d. Mr Aqazadeh pushed for a cut to 22m or 22.5m b/d, but was resisted by Saudi Arabia.

The kingdom remains reluctant to trim its flow of oil beyond the 8m b/d mark and Gulf oil officials stress that it is highly unlikely to agree further cuts at Friday's meeting. Mr Hisham Nazer, the Saudi Arabian oil minister, is likely to press Iran to show its commitment to the last agreement and complete its own cutbacks.

Iranian deliveries to the market slowed in February and March, but that was chiefly because bad weather shut its Kharg Island export terminal for several weeks. A survey by the Reuters news agency indicates Iranian production at 3.39m b/d in March, compared with its allocation of 3.184m b/d under the Opec agreement.

At the same time, Kuwait's production has increased more rapidly than foreseen in February. It now stands at 900,000 b/d – and is still rising – compared with the emirate's informal quota of 812,000 b/d.

"There should be a lot of discussion about who's sticking to the agreement," said Mr Joe Stanislaw at Cambridge Energy Research Associates, an industry consulting group, "but they are unlikely to find any consensus for further cuts."

One issue that Opec ministers must address is the action they plan to take once Iraq stages a return to the export market. Baghdad is currently barred from exporting oil by UN sanctions, but remains in discussion with the UN on a plan that would allow sales worth $1.6bn.

"The return of Iraq to the market is a key variable in the outlook for Opec later this year," said Mr Ken Miller, market analyst at Purvin and Gertz, the US consultants, "if they don't come back at all, rising demand will push Opec producers towards their maximum again, which has implications for firming the market."

Mr Miller is predicting demand for Opec oil of 24.5m b/d in the third quarter of this year followed by 24.8m b/d in the fourth quarter (both figures include some 400,000 b/d of condensate). Rising demand – particularly if the US economy picks up – towards the end of the year would make it easier for Opec to accommodate Iraq's return without other producers having to make painful cuts in output.

Mr Miller sees US oil demand rising to 17.1m b/d in the third quarter – up just 1 per cent from the same period last year. He is confident demand will continue to rise in the second half of this year and early next.

The International Energy Agency, the west's oil industry monitoring agency, is forecasting a rise in world demand to 66.8m b/d this year – an increase of 400,000 b/d.

The focus for future policy will be on Opec's full summer conference on May 20 when ministers must make decisions about the second half of the year. Opec policy is currently evolving away from basing output levels on historical production quotas towards a system that relates production much more closely to capacity. But this leaves room for much debate about actual capacity levels.

Rising demand and prices later this year could save the organisation from any difficult decisions. Mr Mehdi Varzi, oil market analyst at Kleinwort Benson in London, believes that Brent crude prices will top $20 by the end of September and possibly peak at $21 to $22 a barrel.

British Gas reopens supply talks with Norwegian committee

TALKS ON supplies of Norwegian natural gas to Britain have been reopened by British Gas with Norway's Gas Negotiating Committee (GFU), Statoil, a GFU member, confirmed yesterday, writes Karen Fossli in Oslo.

Negotiations between British Gas and GFU were broken off last November over the price that Norway put on deliveries. But British Gas has said that there will be a shortfall of domestic gas supply in the mid-1990s.

The British government cleared the way for foreign gas deliveries just after talks ended between British Gas and GFU when it ratified a 15-year deal between GFU and National Power thought to be worth about £150m. Under that contract, Norway will supply 2.3bn cubic metres of gas annually.

According to Statoil, talks with BG were reopened in a meeting just before the British elections. The starting point for a potential commercial deal is 5bn cu m of gas annually believed to be worth about NKr4bn (£350m). The supply is equivalent to just under 10 per cent of current UK gas demand.

Statoil insists, however, that Norway has limited quantities available before late-1996 when the giant Troll gas field is scheduled to come on stream. "Besides supplying a consortium of European buyers, Troll will serve as a modulator, or a swing producer, allowing associated gas from fields also containing oil to come on stream," Mr Snorre Jensen, a Statoil executive said. Statoil made clear, however, that talks were reopened on the initiative of British Gas, and not because GFU is willing to reduce prices.

Mr Jensen said that several meetings were being planned for this year aimed at restarting negotiations.

GFU also comprises Norsk Hydro and Saga Petroleum. But all three members have their individual commercial interests to defend in recommending possible sources of gas supply for approval by Norwegian energy authorities. Saga Petroleum, for example, has pitched hard for the development of the Midgard field in Haltenbanken, off the coast of mid-Norway in the northern Norwegian Sea.

Farm problem taxes Pakistani politicians

Farhan Bokhari on the opposing claims of the economy and the agricultural sector

PAKISTANI FARMERS are quietly confident that they will retain their freedom from direct taxation when the country's annual budget is announced next month. But with economic problems deepening and recession-hit aid donors looking more critically at the recipients of their largesse, the agricultural sector's privileged position is far from secure.

Agriculturure is one of the biggest earners in the Pakistani economy but the feudal landlords, who have a strong representation among the country's elite and ruling politicians, have so far successfully resisted attempts to encircle them in the tax net.

According to government statistics, agriculture accounts for 26 per cent of Pakistan's gross domestic product. In human terms it is even more important. At least half of the country's work-force is employed in farming while almost three-quarters of its 110m people live in villages, relying directly or indirectly on this sector.

On the issue of introducing agricultural income tax, Mr Sartaj Aziz, the finance minister, was recently quoted as saying that "income tax is impossible to impose on agricultural incomes because of difficulties in measurements, and no other feasible proposal for some alternate tax has yet come up for taxing agricultural sector".

Only four years ago, Mr Aziz was the chairman of a high-powered government commission, that recommended a fixed tax on ownership of agricultural land, as part of a more effective system. But recently, he said that it was up to local councils to introduce such a tax as part of a more practical system.

Officials concede privately, however, that the issue continues to be a difficult one to deal with. The country needs to widen its tax base, to raise more revenue for narrowing its budgetary deficit. Pakistan is expected to seek US$2.4bn at the aid consortium meeting that begins in Paris today and western economists in Islamabad say that the worldwide recession and the resultant pressure on aid budgets, has forced many donors to look closely at recipient countries' own performances in raising revenues and restricting waste domestically. In Pakistan's case, says one expert, "the issue of agricultural tax is one such concern".

He also says, however, that despite these concerns development planners recognise that the agricultural sector has suffered this year, mainly in the cotton sector, which suffered from a drop in prices on the world market. As a result, "new aid pledges may not be affected, though we'd want to see if the government has any plans to deal with this in future". One senior official says that even if such a tax is introduced, concerns will remain about how it will be collected and what effect it will have on the poorest among the poor.

The country's taxation system is ridden with corruption, which leads to large-scale evasion. As a result, there are no clear estimates of the extent of new revenues that could be generated through agriculture. Among the social consequences, one concern is that the poorest farmers may suffer from wage cuts or reduced crop shares if their employers are made to pay taxes.

Warning of animal drug black market

By David Blackwell

A GROWING black market in animal medicines throughout the single European market was predicted yesterday by the UK's National Office of Animal Health (Noah).

"There is a very grave danger that all that has been done to restore consumer confidence in livestock produce and in the safety of medicines will be shattered on January 1 1993," said Mr George Gunn, chairman of Noah, the trade association for UK animal medicine manufacturers.

An EC directive required all animal medicines to be reviewed to modern standards. This should have led to a standard list of products available in Europe, but had in fact resulted in "a total shambles", Mr Gunn said.

In France 2,500 products had kept their licences after review, compared with only 1,400 in the UK. "Imagine this recipe repeated over and over again between each of the 12 member states of the new European Community and you will understand our concerns." Different rates of value added tax further complicated the picture, he said.

According to Noah, the "extreme thoroughness" of the UK testing procedures had led UK manufacturers to spend £60m in the past five years on purely defensive testing. Some products had been withdrawn in the UK which had stayed on the market in France. Useful products with a small turnover had been lost to the veterinary armoury because the cost of reviewing them was too high.

Comex Dubai oil trading gets green light

By Barbara Durr in Chicago

THE COMMODITY Futures Trading Commission has approved the New York Commodity Exchange (Comex) as a contract market for Dubai sour crude futures.

The contract will be traded in open outcry and will use an mutual offset system in co-operation with the International Petroleum Exchange in London. This system will allow market users to enter or exit positions on either exchange during their respective market hours.

Mr Donna Redel, Comex's newly-elected chairman, said that the contract was important for the exchange's plans to diversify. Its launch, however, is not expected soon and will be co-ordinated with the IPE.

EC urged to set up food subsidy anti-fraud unit

By Andrew Hill in Brussels

THE EUROPEAN Community should set up a new anti-fraud unit to keep tabs on EC subsidies to international food exporters, according to a report from the Court of Auditors, which has uncovered widespread fraud at two large European companies.

The court has been monitoring the dairy product companies – which are not named in its report – over the last two years as part of a wider inquiry into the system of export "refunds". The two companies accounted for 10 per cent of all EC refunds on milk product exports during the period. Such refunds are paid to traders to bridge the gap between high guaranteed European prices and the generally lower world market prices.

An in-depth audit of the two companies revealed that they had made false claims worth millions of Ecus. Among other methods, they reclassified dairy exports so that they were eligible for higher refunds. They also claimed refunds on exports which turned out to be unfit for human consumption and one of the companies added about Ecu40,000 £28,000) to its claim by weighing the plastic wrapping as well as the cheese.

In response to the report, the European Commission claimed that a number of measures had been adopted to tighten up on such fraud since the court inquiry began. But Mr Jo Carey, the court's British representative, said yesterday: "We don't think any individual national body could do the sort of work that we have been doing on an experimental basis".

The Court now wants to use similar methods to look at export refunds paid to beef and cereals companies. Together with milk products, the three sectors accounted for more than 70 per cent of Ecu7.72bn of export refunds paid in 1990.

US dairy lobby smells victory in cheese row

By Nancy Dunne in Washington

THE US dairy lobby appears to have succeeded in heading off the threat of cheap cheese imports from Hungary.

Congressman Steve Gunderson, a Wisconsin Republican, says he has received personal assurances from State Department officials that they no longer plan to support a petition to add Hungarian Goya cheese to the list of duty-free imports permitted under the US Generalised System of Preferences.

The GSP is designed to help developing countries by giving export advantage to some of their products. However, it is not supposed to allow de-stabilisation of US industries – particularly in an election year.

Goya cheese has already been rejected as a candidate for duty-free status, but at the request of the Hungarian embassy a special interagency committee which vets candidates for the GSP was asked to review the petition.

The State Department is not officially admitting an about-face. A department official said the case was still being reviewed and the results would not be known until they were announced from the White House on May 1.

"The department is interested in seeing that a significant number of Hungary's petitions for GSP benefits are accepted," he said. "This is of critical importance to supporting democracy in a market economy in Hungary."

He added, however, that the Goya cheese petition was rejected in the first place "for sound reasons" which the chastened department apparently now "understands and recognises".

Congressman Gunderson, who could use an election year boost himself (he appeared on the list of "bad" cheque writers, in the latest Congressional scandal surrounding the House bank) held a hearing with other dairy state congressmen earlier this month where the impact of GSP status for Goya was widely decried. It would open the floodgates for duty-free imports from everyone, Mr Gunderson said, and particularly benefit Argentina and Uruguay.

The impact of duty-free Goya imports is unknown, with estimates ranging from 1,000 to 100,000 tonnes. It could displace sales of US products supported by the government dairy programme, as well as add to US surpluses and programme costs.

WORLD COMMODITIES PRICES

MARKET REPORT

London COCOA prices sunk to their lowest for around nine months, depressed by a combination of trade selling and a dearth of buyers. New York cocoa futures were also down at midday, with active July at a new life of contract low of $940 a tonne. New York traders said the fall was partly down to morning news that the ICCO had downwardly revised its estimate for the 1991-92 production deficit to 115,000 tonnes from 140,000 tonnes. London dealers said there was some talk of further sales of new crop cocoa by the Ivory Coast. In the short-term there appeared little reason why the market should not continue downwards. Some psychological support is expected around £600 a tonne but the next major objective looks to be £588, last year's second position low. Manufacturers continued to show little sign of supporting the market and some were even emerging as light sellers. London robusta COFFEE futures also came under pressure with prices finally breaking out of their recent range on the downside. Dealers said the fall was initially driven by stale long liquidation in thin conditions. Sell-stops were triggered as the downward move gathered momentum.

Compiled from Reuters

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$16.30-16.35	-.250
Brent Blend (dated)	$18.65-18.80	-.325
Brent Blend (Jun)	$18.65-18.75	-.275
W.T.I. (1 pm est)	$20.00-05z	-.360
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$210-212	
Gas Oil	$174-175	-2
Heavy Fuel Oil	$71-73	
Naphtha	$182-184	-2.5
Petroleum Argus Estimates.		
Other		+ or -
Gold (per troy oz)♣	$338.70	+0.10
Silver (per troy oz)♣	400c	+1.0
Platinum (per troy oz)	$341.25	
Palladium (per troy oz)	$82.40	-0.05
Copper (US Producer)	103.44	+0.49
Lead (US Producer)	37.38c	
Tin (Kuala Lumpur market)	14.54r	
Tin (New York)	272.5	
Zinc (US Prime Western)	62.0c	
Cattle (live weight)†	110.22p	+0.72*
Sheep (live weight)†♠	94.81p	-0.45*
Pigs (live weight)†	101.11p	+2.50*
London daily sugar (raw)	$241.0y	+1.0
London daily sugar (white)	$272.5y	-2.0
Tate and Lyle export price	£246.0	
Barley (English feed)	£119.0w	
Maize (US No. 3 yellow)	£148.0w	
Wheat (US Dark Northern)	£120.0w	
Rubber (May)♥	54.50p	-0.25
Rubber (Jun)♥	54.75p	-0.25
Rubber (KL RSS No 1 May)	217.0	+0.5
Coconut oil (Philippines)§	655.0t	
Palm Oil (Malaysian)§	$407.5z	
Copra (Philippines)§	$430.0w	
Soyabeans (US)	£150.0t	-1.0
Cotton "A" Index	57.80c	+0.10
Wooltops (64s Super)	448p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. t-May/Jun y-Apr/May w-Apr z-May. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg ♠Sheep prices are now live weight prices.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low
May	215.40	214.00	213.60 211.40
Aug	210.40	206.20	206.80 205.00
Oct	197.80	195.20	195.00 194.60
Dec	190.00	190.00	187.60 187.60
May	189.00	189.00	187.00 187.00
White	**Close**	**Previous**	**High/Low**
Aug	272.50	270.00	270.50 268.80
Oct	263.50	263.50	263.30 262.50
Mar	268.50	268.50	265.00 263.50

Turnover: Raw 308 (267) lots of 50 tonnes. White 623 (1083)
Paris- White (FFr per tonne): Aug 1546.12 Mar 1548.13

CRUDE OIL – IPE $/barrel

	Latest	Previous	High/Low
Jun	18.69	19.04	18.90 18.66
Jul	18.81	18.95	18.84 18.60
Aug	18.64	18.89	18.70 18.64
Sep	18.63	18.90	18.78 18.62
Oct	18.76		18.77 18.72
Dec	18.65	18.86	18.73 18.65
Jan	18.62		18.65 18.62
IPE Index	18.98	18.82	18.98

Turnover 12,000 (9,712)

GAS OIL – IPE $/tonne

	Close	Previous	High/Low
May	171.50	174.75	174.50 171.50
Jun	171.50	174.25	174.50 171.50
Jul	172.50	174.75	173.75 172.50
Aug	174.25	177.00	175.25 174.25
Sep	176.50	178.50	177.00 176.00
Oct	178.25	180.50	178.75 178.00
Nov	179.75	181.25	180.00 179.50
Dec	181.00	182.75	181.25 181.00
Jan	179.25	183.50	182.75 179.25

Turnover 8,465 (8,508)lots of 100 tonnes

WOOL

There are no wool sales to test auction demand and price changes before the Easter recess gave no entirely definate lead on market direction. Most international observers seem to think that competition for available supplies will be sufficient to keep prices rising for the remainder of the season, until the end of June. Demand from China has been good this season and is believed likely to remain so for the rest of the season, helping to offset severe problems in the old Soviet Union and Eastern European areas.

COCOA – London FOX £/tonne

	Close	Previous	High/Low
May	575	582	583 574
Jul	603	618	620 602
Sep	626	644	644 626
Dec	664	678	679 662
Mar	698	713	714 698
May	718	735	731 722
Jul	741	756	752 739
Sep	762		772 765
Dec	789		800 796

Turnover: 4777 (12060) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Apr 20 770.96 (768.73) 10 day average for Apr.21 765.60 (763.82)

COFFEE – London FOX $/tonne

	Close	Previous	High/Low
May	774	792	789 768
Jul	798	813	822 794
Sep	820	[illegible]	840 816
Nov	838	851	854 837
Jan	857	871	872 856
Mar	877	890	887 879

Turnover: 4041 (2308) lots of 5 tonnes
ICO Indicator prices (US cents per pound) for Apr.21: Comp. daily 52.55 (52.27) 15 day average 54.89 (55.16)

POTATOES – London FOX £/tonne

	Close	Previous	High/Low
May	114.0	116.5	117.0 113.8
Apr	120.0	121.0	120.0 118.5

Turnover 131 (41) lots of 20 tonnes.

SOYABEAL – London FOX £/tonne

	Close	Previous	High/Low
Aug	123.00	124.50	
Oct	127.00	128.00	

Turnover - (30) lots of 20 tonnes.

FREIGHT – London FOX $10/index point

	Close	Previous	High/Low
Apr	1185	1196	1215 1195
May	1211	1200	1219 1205
Jun	1109	1097	1110 1109
Jul	1092	1076	1092 1085
Oct	1214	1207	1215 1210
BFI	1176	1175	1176

Turnover 201 (189)

GRAINS – London FOX £/tonne

Wheat	Close	Previous	High/Low
May	123.80	124.15	123.90 123.60
Jun	125.45	125.95	125.75 125.45
Sep	111.85	111.80	111.85 111.80
Jan	116.80		116.80
Barley	**Close**	**Previous**	**High/Low**
May	115.50	116.25	116.00 115.50

Turnover: Wheat 433 (364), Barley 24 (5).
Turnover lots of 100 Tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low
May	125.5		126.0
Jun	119.8		119.7 118.5
Jul	114.0		113.5 113.0

Turnover 53 (5) lots of 3,250 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open Interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover 51,045 lots
Cash	1332-3	1329-30		1332.5-3		
3 months	1359-9	1364.5-5.5	1362/1357	1359.5-60	1357-8	167,027 lots
Copper, Grade A (£ per tonne)						Total daily turnover 15,704 lots
Cash	1246-9	1252-3	1249	1248-8.5		
3 months	1279.5-80	1283-3.5	1281/1277	1278.5-9	1276-7	103,024 lots
Lead (£ per tonne)						Total daily turnover 1,155 lots
Cash	299-300	302-3		300-300.5		
3 months	313-3	314-4	313/312.5	313-3.25	312-5	23,822 lots
Nickel ($ per tonne)						Total daily turnover 5,052 lots
Cash	7460-80	7435-40	7480	7475-80		
3 months	7585-75	7524-5	7600/7550	7565-65	7555-60	24,708 lots
Tin ($ per tonne)						Total daily turnover 1,283 lots
Cash	5865-75	5860-70		5870-80		
3 months	5870-80	5870-5	5885/5870	5875-85	5875-80	7,020 lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover 27,104 lots
Cash	1311-13	1290-1	1322/1313	1315-5.5		
3 months	1282-3	1266-7	1284/1273	1281-2	1279-80	52,773 lots

LME Closing £/$ rate:
SPOT: 1.7630 3 months: 1.7389 6 months: 1.7128 9 months: 1.6940

LONDON BULLION MARKET (Prices supplied by N M Rothschild)

Gold (fine oz)	$ price	£ equivalent
Close	338.50-338.90	
Opening	339.80-340.00	
Morning fix	339.30	192.25
Afternoon fix	338.10	192.07
Day's high	339.00-339.30	
Day's low	338.00-338.30	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	3.17	6 months	3.29
2 months	3.17	12 months	3.41
3 months	3.36		

Silver fix	p/fine oz	US cts equiv
Spot	226.30	399.00
3 months	232.75	403.10
6 months	236.60	407.50
12 months	249.85	417.30

GOLD COINS

[illegible]

TRADED OPTIONS

[illegible]

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Apr	339.1	341.1	339.7	339.0
May	339.3	341.2	0	0
Jun	339.8	341.7	340.1	339.0
Aug	341.8	343.7	342.2	341.1
Oct	343.7	345.6	343.5	343.5
Dec	345.6	347.7	345.8	345.1
Feb	348.2	350.1	0	0
Apr	350.5	352.4	350.5	350.5
Jun	353.1	355.0	0	0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Apr	342.5	341.1	343.0	340.0
Jul	343.6	342.3	343.8	340.5
Oct	347.3	346.0	345.5	345.5
Jan	347.3	346.0	346.0	344.5
Apr	348.8	347.5	0	0

SILVER 5,000 troy oz; cents/troy oz.

[illegible]

SUGAR WORLD "11" 112,000 lbs; cents/lbs

[illegible]

COTTON 50,000; cents/lbs

[illegible]

ORANGE JUICE 15,000 lbs; cents/lbs

[illegible]

INDICES

[illegible]

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Apr	99.40	99.50	99.80	99.40
May	99.55	99.50	99.95	99.45
Jun	99.70	99.60	99.80	99.52
Jul	99.90	99.75	100.20	99.75
Aug	100.00	99.90	0	0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CRUDE OIL (Light) 42,000 US galls $/barrel

[illegible]

HEATING OIL 42,000 US galls, cents/US galls

[illegible]

COCOA 10 tonnes;$/tonnes

[illegible]

COFFEE "C" 37,500lbs; cents/lbs

[illegible]

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
May	577/0	588/6	582/4	576/4
Jul	583/6	591/0	588/4	583/2
Aug	586/0	595/2	593/4	587/4
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN OIL 60,000 lbs; cents/lb

[illegible]

SOYABEAN MEAL 100 tons; $/ton

[illegible]

MAIZE 5,000 bu min; cents/56lb bushel

[illegible]

WHEAT 5,000 bu min; cents/60lb-bushel

[illegible]

LIVE CATTLE 40,000 lbs; cents/lbs

[illegible]

LIVE HOGS 40,000 lb; cents/lbs

[illegible]

PORK BELLIES 40,000 lbs; cents/lb

[illegible]

LONDON STOCK EXCHANGE

Bad news from financials hits market

By Steve Thompson

A SPATE of bad news from the banking and insurance sectors plus disappointment with the latest official figures on bank and building society lending put paid to early hopes that London's equity market could build on some big early gains yesterday.

The effects of recent earnings downgrades for some of the UK's biggest companies added to the gloom. By the close the market was on its heels, and suffering from successive bouts of profit-taking.

The FT-SE 100 share index ended a busy session at the day's low point, closing a net 18 points off at 2,607.8.

One of the few encouraging signs was an upturn in the level of business. Turnover expanded to 617.4m shares, well ahead of Tuesday's 420m shares when the value of customer business fell to £867m, compared with last week when figures above £1bn were recorded on each trading day.

Turnover was boosted considerably by at least five programme trades executed yesterday, with the majority said to have been weighted to the sell side.

The market got off to an excellent start, as the Footsie index posted a 15-points plus rise during the first hour of trading, on buying stimulated by a strong pound which in turn prompted more talk of a cut in domestic interest rates. The Footsie future also provided comfort for the cash market, maintaining a good premium throughout the day.

Downside pressure began to *emerge, however, in mid-morn*ing with the impact of two programme trades, plus gloomy news from Abbey National and Legal & General. Shortly afterwards the market was unsettled by the £500m decline in bank and building society lending during March, compared with market expectations of an increase of about £2bn.

Ensuing selling pressure, although never more than light, was sufficient to lower the Footsie for the rest of the day with sentiment additionally weakened by a weak opening on Wall Street.

Senior traders were not unduly perturbed by the market's latest decline, pointing out that the long three-week account ends on Friday and a period of consolidation was *needed after the 250-point rise* that followed the Tory election victory. "The market may be looking ragged but the underlying firm tone remains intact," said one dealer.

New business figures from insurance group Legal & General were viewed as disappointing and triggered a wholesale retreat throughout the life and composite insurance sectors which provided six of the market's worst ten performers yesterday. The gloomy message from Abbey National's annual meeting led to a round of profit downgrades and a flurry of selling of Abbey shares.

On the other hand, there were good gains from the utilities sector, notably the Scottish generators ahead of the 70p-a-share call on the stock which *has to be paid by May 5.* Takeover rumours continued to surround Dowty Group, the aerospace/engineering group with TI Group said to be a potential predator. The market took seriously stories that Hanson was about to unload its 2.8 per cent stake in ICI to help fund another takeover move.

Account Dealing Dates		
First Dealings:		
Apr 6	Apr 27	May 11
Option Declarations:		
Apr 23	May 7	May 21
Last Dealings:		
Apr 24	May 8	May 29
Account Day:		
May 5	May 18	Jun 8

*New-time dealings may take place from 8.30 am two business days earlier.

Two-way pull in Hanson

CONGLOMERATE Hanson held up well in the face of a reassessment of its prospects by its own broker. It was boosted generally by a belief that it is well placed to benefit from an economic upturn and specifically by hopes of an acquisition. The shares closed only 2 off at 234½p with 12m traded.

Broker Hoare Govett trimmed its profits estimate for the year ending in September to £1.13bn and for the following year by £30m to £1.275bn.

Acquisition hopes have been *fired by strengthening* rumours that Hanson will sell its stake in ICI, by the recent disposal of Ever Ready and by a £500m Eurobond issue yesterday. Mr Geoff Alum, a conglomerates analyst with County NatWest, said that, discounting the Eurobond issue and the ICI stake, Hanson already had £7.8bn in cash.

ICI, which has risen strongly on the stake sale talk, as well as a belief that an announcement about the sale of its fibres division is imminent, closed 12 ahead at 1366p.

Analysts have seen 1325p as the price Lord Hanson would need for his 20m ICI shares if the sale was to be worthwhile. That would imply a discount of about 3 per cent to the current price, and some commentators argue that the discount will *have to be nearer 5 per cent,* suggesting a market share price of around 1400p.

Dowty bid talk

Strong bid speculation returned to **Dowty Group**, the aerospace components manufacturer, sending the stock racing ahead by 11 to 145p in heavy volume of 4.7m shares. Talk of a bid started early in the session following two sizeable agency crosses at the 138p level, with **Smiths Industries** *and TI the two names in the* frame.

Smiths is thought to have been eyeing Dowty for some time but is said to be unwilling to pay a high take-out price. The speculation eventually settled around TI as the most likely bidder, with a cash offer price of 155p to 160p a share mentioned, and a higher paper alternative. There were even whispers of an agreed bid. TI weakened 19 to 716p and Smiths eased a penny to 314p.

Mr Zafar Khan at Strauss Turnbull said: "We have been here before but the heavy volume and the rise in the price *suggest that the market is* coming to the view that a bid is imminent."

Abbey retreats

Building society turned high street bank Abbey National fell on record turnover after a profits warning prompted analysts to lower their forecasts. The shares lost 11½ to 299½p and the turnover of 13.5m shares was the heaviest since the bank was floated nearly two years ago.

Nomura Research, the securities house with the most optimistic view of Abbey, knocked £40m off its 1992 estimate to £640m, but Mr Mike Fesemeyer, the house's banking analyst, said the fundamentals were still in place and the position was not as bad as many thought.

County NatWest's Mr John *Aitken, who had been at the* bottom of the range of predictions with £620m, commented: "I might be tempted to knock another £20m off the forecast because the statement does seem to indicate a bigger increase in provisions."

Insurance gloom

The insurance sector suffered the most pain in the London market yesterday as investors reacted to disappointing figures from Legal & General.

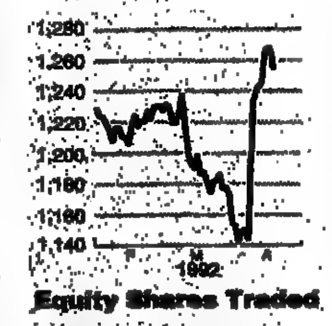
L & G dropped 24 to 366p, the biggest percentage fall among the FT-SE 100 constituents, *after announcing that its* worldwide life and pensions new annual premium figures for the first quarter of 1992 were down by 16 per cent to £46.7m.

Analysts said the group, along with the rest of the sector, was due for a correction following a good run after the general election.

There was in addition an emotional impact from Abbey National's profits warning, although some observers felt that the bank had probably not taken out massive mortgage insurance.

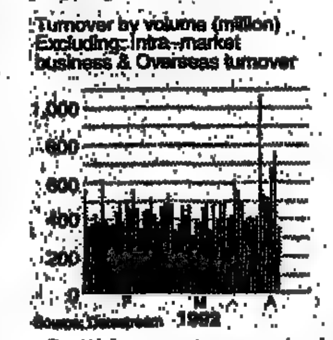
Prudential, which has very little exposure to mortgage problems, lost 13½ to 241½p, Sun Alliance, already badly hit, fell a further 10 to 271p, General Accident slid 16 to 452p and Guardian Royal Exchange declined 5 to 135p.

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)
Excluding: intra-market business & Overseas turnover



Scottish generators remained very active, with Scottish Power gaining 3 to 97p on turnover of 19m shares and Scottish Hydro-Electric also adding 3 at 102p on volume of 8.2m. The high level of activity reflected an approaching second payment of 70p on the partly-paid stocks.

Scottish Power is believed to have around 1m small shareholders and Hydro-Electric about 600,000, who must sell their shares by the close of business on Friday if they wish to avoid making this payment. *A third and final payment* is due a year later.

Analysts were generally bullish, believing the shares will perform well once the second payment is out of the way.

Wellcome fell 25 to 1092p, reflecting general weakness in the drugs sector, led by recent falls on Wall Street.

Troubled chemicals group MTM recovered 6 to 39p after announcing that the banks had extended their grace period until the end of May.

Boots lost 17 to 472p on US selling.

Disappointing results from clothing retailer **Austin Reed** *pushed the "A" shares down 18* to 260p.

Continued optimism over the prospect of a cut in interest rates boosted housebuilders. Wimpey advanced 9 to 85p. Property groups basked in similar surrounds, **Hammerson** "A" climbing 6 to 375p.

Securities house S.G. Warburg upgraded Granada after a meeting with the group. The shares put on 4 to 275p in busy volume of 3.7m.

The house has lifted its forecast slightly to £115m for this year and by £9m to £145m for 1993.

MARKET REPORTERS:
Joel Kibazo, Peter John,
Colin Millham,
Christopher Price.

■ Other market statistics, Page 24.

NEW HIGHS AND LOWS FOR 1992

[illegible]

FINANCIAL TIMES STOCK INDICES

	Apr 22	Apr 21	Apr 16	Apr 15	Apr 14	Year Ago	1992 High	1992 Low	Since Compilation High	Since Compilation Low
Government Secs	88.46	88.49	88.65	88.62	88.57	84.00	88.82 (16/4)	85.11 (1/4)	127.40 (9/1/35)	49.18 (3/1/75)
Fixed Interest	102.31	102.40	102.80	102.67	102.59	94.31	102.80 (16/4)	97.15 (2/1)	105.40 (28/11/47)	50.53 (3/1/75)
Ordinary Share●	2034.6	2047.6	2059.2	2053.0	2014.9	1952.5	2059.2 (16/4)	1861.4 (3/4)	2108.3 (2/9/91)	49.4 (26/6/40)
Gold Mines	111.9	112.5	111.9	113.9	114.0	144.6	160.6 (10/1)	111.5 (8/4)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2607.8	2625.8	2638.6	2640.2	2600.5	2488.6	2640.2 (15/4)	2382.7 (3/4)	2679.6 (2/9/91)	986.9 (23/7/84)
FT-SE Eurotrack 200	1213.46	1208.47	1213.52	1212.94	1199.46	1156.00	1213.52 (16/4)	1120.52 (8/1)	1213.52 (16/4/92)	938.62 (16/1/91)
●Ord. Div. Yield	4.46	4.45	4.43	4.44	4.47	4.83				
●Earning Yld %(full)	6.40	6.39	6.35	6.36	6.53	8.86				
●P/E Ratio(Net)(☆)	19.67	19.72	19.85	19.81	19.22	13.86				
SEAQ Bargns 5.00pm	35,229	34,636	45,698	43,189	36,883	28,411				
Equity Turnover(£m)†	-	867.9	1771.8	1,560.0	1,333.3	853.69				
Equity Bargains†	-	30,359	51,819	46,524	41,130	25,593				
Shares Traded (ml)†	-	361.3	770.3	677.1	528.8	387.6				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83 ‖ FT-SE Eurotrack 200 26/10/90. ☆ Nil 18.84

Ordinary Share Index, Hourly changes Day's High 2060.0 Day's Low 2034.6

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2052.4	2060.0	2053.8	2050.1	2046.7	2046.5	2047.0	2043.2	2039.1

FT-SE 100, Hourly changes Day's High 2641.2 Day's Low 2607.8

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2631.9	2640.9	2634.5	2629.6	2622.0	2622.1	2623.1	2619.2	2614.3

FT-SE Eurotrack 200, Hourly changes Day's High 1218.87 Day's Low 1212.47

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm
1217.94	1217.70	1216.76	1214.70	1214.29	1214.90	1213.05

GILT EDGED ACTIVITY

Indices*	Apr 21	Apr 16
Gilt Edged Bargains	95.2	113.0
5 – Day average	133.1	161.0

*SE Activity 1974.
†Excluding intra-market business and Overseas turnover.

London report and latest Share Index: Tel 0891 123001. Calls charged at 36p/minute cheap rate, 48p/minute at all other times.

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change
ADT	135	439	−2
ASDA Group	7,500	30	−1
Abbey National	13,000	299½	−11½
Albert Fisher	2,300	71	−1
Allied-Lyons	1,800	[illegible]	−14
Amstrad	315	34	
Anglian Water	[illegible]	414	−1
Argos	1,600	[illegible]	+3
Argyll Group	2,700	363	+3
Arjo Wiggins	584	[illegible]	+4
Ass. Brit. Foods	326	442	
Ass. Brit. Ports	335	[illegible]	−2
[illegible]			
British Gas	12,000	276	+1½
British Land	417	211	−4
BP	6,700	[illegible]	−3
British Steel	7,200	76	+1½
British Telecom	5,800	336½	−1½
Br. Telecom New	8,100	130½	−2
Bunzl	1,400	[illegible]	−1
Burmah Castrol	190	[illegible]	−2
Burton	5,100	46	+½
Cable & Wire.	3,200	[illegible]	−5
Cadbury Schweppes	4,000	[illegible]	−3
Calor Group	91	[illegible]	
Carlton Comms.	[illegible]	[illegible]	+3
Coats Viyella	2,300	[illegible]	−2
Comm. Union	1,000	445	−11
Cookson	2,100	143	−2
Courtaulds	472	583	+8
Dalgety	111	[illegible]	−3
De La Rue	354	[illegible]	
Dixons	2,200	[illegible]	−2
ECC Group	925	[illegible]	
Eastern Elect.	1,300	283	+2
East Midland Elect.	1,300	[illegible]	
Enterprise Oil	1,200	[illegible]	
[illegible]	229	[illegible]	+3
FKI	157	73	
[illegible]			
ICI	[illegible]	[illegible]	+12
Inchcape	1,700	[illegible]	−6
Kingfisher	2,100	[illegible]	−3
Kwik Save	772	[illegible]	+2
Ladbroke	4,100	[illegible]	+1½
Land Securities	1,900	[illegible]	+8
Laporte	[illegible]	[illegible]	+5
Legal & General	3,300	[illegible]	−24
Lloyds Abbey	1,800	417	+7
Lloyds Bank	4,100	[illegible]	+4½
LASMO	1,100	[illegible]	−1
London Elect.	1,000	[illegible]	−3
Lonrho	2,200	[illegible]	−2
Lucas	2,800	137	+8
MB Caradon	1,000	[illegible]	−3
MEPC	1,300	324	+7
Manweb	684	380	+1
Marks & Spencer	[illegible]	[illegible]	−½
Midland Bank	16,000	[illegible]	+6
Midlands Elect.	1,200	[illegible]	−3
NFC	657	284	
NatWest Bank	9,800	325	+8
National Power	5,000	[illegible]	+2
Next	1,900	79½	−½
North West Water	742	[illegible]	−4
[illegible]			
Reuters	719	1140	[illegible]
Rolls Royce	3,800	[illegible]	−2
Rothmans	211	1110	+5
Ryl Bk Scotland	2,100	[illegible]	+4
Royal Insurance	2,500	[illegible]	−8
Saatchi	[illegible]	[illegible]	−½
Sainsbury	1,700	[illegible]	+6
Scottish & New	2,600	[illegible]	−1½
Scot. Hydro-Elect.	[illegible]	102	+3
Scottish Power	20,000	97	+3
Sears	2,200	[illegible]	−3½
Sedgwick	2,100	204	+3
Seeboard	[illegible]	320	+7
Severn Trent Water	1,200	[illegible]	
Shell Transport	2,700	472	−3½
Siebe	255	677	+5
Slough Ests	854	188	+2
Smith (W.H.) A	1,100	[illegible]	
Smith & Nephew	5,300	151½	[illegible]
SmKl Beecham	3,100	[illegible]	−17
SmKl Beecham Uts	634	[illegible]	[illegible]
Smiths Inds.	525	314	−1
Southern Elect.	1,600	[illegible]	+6
[illegible]			
South West Water	372	413	+1
[illegible]			
United Biscuits	1,300	[illegible]	−5
Utd. Newspapers	1,100	410	+6
Vodafone	2,000	[illegible]	
Warburg (SG)	252	[illegible]	+2
Wellcome	1,700	1074	[illegible]
Welsh Water	281	430	−1
Wessex Water	302	[illegible]	−2
Whitbread 'A'	1,800	447	+3
Williams Hldgs.	[illegible]	[illegible]	
Willis Corroon	1,000	[illegible]	−4
Wimpey	[illegible]	[illegible]	+9
Wolseley	472	[illegible]	+2
Yorkshire Elect.	1,000	[illegible]	+4
Yorkshire Water	146	[illegible]	+1

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down.

EQUITY FUTURES AND OPTIONS TRADING

A STRONG initial opening petered out in a dull afternoon session in stock index futures, with volume once again low, writes Joel Kibazo.

The June contract on the FT-SE started the session strongly at a premium of 47 to the underlying cash market. But a shopping spree by independent traders early in the session led to a squeeze by 9am, sending June climbing to reach 2,697, which proved to be the high of the day.

A bout of profit-taking thereafter caused June to relinquish earlier gains. With little in the way of participation from the large institutions, independent traders' attempts to drive June higher in mid-afternoon met with little interest, and it was undermined further by a weak opening on Wall Street.

June closed at 2,649, down 19 on the previous session and about 17 points above its estimated fair value premium to cash of about 22. Turnover at 5,453 lots was poor.

The day in traded options was characterised by large trades in the April expiry stock options. Total volume reached 41,547, with the FT-SE option recording 7,596 contracts. BP was the top traded stock option at 3,363 lots and was followed by Marks and Spencer at 2,898 contracts.

FT-ACTUARIES SHARE INDICES

© The Financial Times Ltd 1992. Compiled by the Financial Times Ltd in conjunction with the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section. Wednesday April 22 1992.

	Equity groups & sub-sections	Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1992 to date	Tue Apr 21 Index No.	Thu Apr 16 Index No.	Wed Apr 15 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (179)	864.89	−0.1	7.16	5.38	18.21	10.84	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (22)	1085.78	−0.2	5.67	5.45	24.90	10.30	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (28)	998.32	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (8)	2604.65	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Electronics (29)	1874.44	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Engineering-Aerospace (7)	378.84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7	Engineering-General (44)	524.89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (8)	351.66	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	Motors (14)	350.49	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Other Industrial Materials (19)	1747.22	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	CONSUMER GROUP (183)	1685.33	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Brewers and Distillers (24)	2087.09	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (21)	1280.57	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (16)	2857.59	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27	Health and Household (24)	4119.36	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29	Hotels and Leisure (20)	1798.28	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
30	Media (25)	1596.66	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
31	Packaging, Paper & Printing (17)	801.86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (33)	1096.20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (10)	733.73	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
40	OTHER GROUPS (116)	1284.48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	Business Services (17)	1395.99	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (22)	1573.95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43	Conglomerates (11)	1420.93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Transport (14)	2298.29	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Electricity (16)	1276.13	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Telephone Networks (4)	1401.46	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
47	Water (10)	2250.82	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
48	Miscellaneous (22)	1967.84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (483)	1354.10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oil & Gas (17)	2093.86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX (500)	1424.42	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (87)	729.96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (9)	919.98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (6)	1432.53	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (7)	661.37	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance (Brokers) (10)	936.81	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (7)	491.15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (33)	685.78	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Other Financial (15)	246.92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (70)	1211.63	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (657)	1258.58	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Apr 21	Apr 16	Apr 15	Apr 14	Apr 13	Year ago
FT-SE 100 SHARE INDEX†	2607.8	−18.0	2641.2	2607.8	2625.8	2638.6	2640.2	2600.5	2591.0	2488.6

FIXED INTEREST

	PRICE INDICES	Wed Apr 22	Day's change %	Tue Apr 21	Accrued interest	xd adj. 1992 to date
	British Government					
1	Up to 5 years (27)	122.00	+0.01	121.99	1.55	4.28
2	5-15 years (25)	137.19	+0.10	137.05	3.25	5.45
3	Over 15 years (9)	149.45	+0.22	149.12	2.79	2.78
4	Irredeemables (6)	167.25	+0.02	167.21	4.28	1.50
5	All stocks (67)	135.08	+0.09	134.97	1.58	4.81
	Index-Linked					
6	Up to 5 years (2)	169.17	−0.03	169.22	0.24	1.83
7	Over 5 years (9)	145.76	−0.01	145.77	0.61	1.64
8	All stocks (11)	147.86	−0.01	147.87	0.56	1.65
9	Debs & Loans (63)	119.19	+0.07	119.11	2.51	3.41

	AVERAGE GROSS REDEMPTION YIELDS		Wed Apr 22	Tue Apr 21	Year ago (approx.)
	British Government				
1	Low	5 years	8.33	8.33	9.21
2	Coupons	15 years	9.06	9.07	9.64
3	(0%-7¾%)	20 years	9.06	9.07	9.76
4	Medium	5 years	9.21	9.30	10.30
5	Coupons	15 years	9.10	9.13	10.07
6	(8%-10¾%)	20 years	9.07	9.11	10.01
7	High	5 years	9.53	9.53	10.44
8	Coupons	15 years	9.21	9.24	10.25
9	(11%-)	20 years	9.15	9.18	10.19
10	Irredeemables		9.26	9.26	10.12
	Index-Linked				
11	Inflation rate 5%	Up to 5 yrs.	3.98	3.96	3.78
12	Inflation rate 5%	Over 5 yrs.	4.53	4.53	4.12
13	Inflation rate 10%	Up to 5 yrs.	3.26	3.24	2.89
14	Inflation rate 10%	Over 5 yrs.	4.34	4.34	3.92
15	Debs &	5 years	10.69	10.74	11.87
16	Loans	15 years	10.54	10.55	11.64
17		25 years	10.42	10.42	11.43

†Opening index 2631.9; 9 am 2640.9; 10 am 2634.5; 11 am 2629.6; Noon 2622.0; 1 pm 2622.1; 2 pm 2623.1; 2.30 pm 2623.7; 3 pm 2619.2; 4.10 pm 2610.4 (a) 8.58am (b) 4.30pm †Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL. The FT-ACTUARIES SHARE INDICES SERVICE covers a range of electronic and paper-based products relating to these indices. These are available by subscription from FINSTAT, 2nd Floor, 126 Jermyn Street, London SW1Y 4UJ. Tel: 071-925 2323.

LONDON SHARE SERVICE

BRITISH FUNDS

	Notes	Price £	+ or -	1992 high	1992 low	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)							
3pc 1992		[illegible]	—	[illegible]	97⅞	3.08	7.59
Exch 12¼pc 1992		[illegible]	−⅛	[illegible]	100⅞	12.17	10.11
13½pc 1992		[illegible]	−⅛	[illegible]	101⅛	13.32	10.04
Treas 8¾pc 1993		[illegible]	—	[illegible]	97⅞	[illegible]	9.50
10pc 1993‡‡		[illegible]	—	[illegible]	[illegible]	[illegible]	9.62
12½pc 1993‡‡		[illegible]	—	[illegible]	101⅞	12.11	[illegible]
Funding 6pc 1993‡‡		[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]							
Five to Fifteen Years							
Treas 8¾pc 1997‡‡		97⅞	−⅛	[illegible]	94	8.94	9.23
Exch 15pc 1997		122⅛xd	−⅛	122⅞	118⅛	12.25	9.65
9¾pc 1998		[illegible]	−⅛	102¼	97⅝	9.67	9.29
Treas 6¾pc 1995-98‡‡		91⅛xd	—	91⅞	88⅞	7.42	8.65
15½pc '98‡‡		128⅛	−⅛	128⅝	123⅛	12.11	9.53
Exch 12pc 1998		112⅛xd	−⅛	112⅞	107⅞	10.67	9.41
Treas 9½pc 1999‡‡		101⅝	−⅛	101⅞	97⅛	9.35	9.14
Exch 12¼pc 1999		114⅛	+⅛	114⅞	109½	10.74	9.42

BRITISH FUNDS - Cont.

	Notes	Price £	+ or -	1992 high	1992 low	Yield Int.	Yield Red.
Treas 10½pc 1999		105⅛xd	+⅛	105⅞	101⅞	[illegible]	9.30
Conversion 10¼pc 1999		105⅛xd	—	[illegible]	100⅞	[illegible]	9.30
9pc 2000‡‡		[illegible]	+⅛	[illegible]	94⅝	[illegible]	9.12
Treas 13pc 2000		119⅞	+⅛	120⅛	114⅞	[illegible]	9.50
10pc 2001		104⅞	+⅛	[illegible]	[illegible]	[illegible]	9.20
14pc '98-01		119⅞xd	+⅛	120⅛	115⅞	11.78	9.64
9¾pc 2002		[illegible]	+⅛	[illegible]	[illegible]	[illegible]	9.18
9¾pc 2002 C		[illegible]	+⅛	[illegible]	[illegible]	9.77	10.00
[illegible]							
Undated							
Consols 4pc		[illegible]	—	43	[illegible]	[illegible]	–
War Loan 3½pc‡‡		[illegible]	—	[illegible]	[illegible]	9.19	–
Conv 3½pc '61 Aft.		[illegible]	—	[illegible]	59	[illegible]	–
Treas 3pc '66 Aft.		[illegible]	—	31⅝	[illegible]	[illegible]	–
Consols 2½pc		[illegible]	—	27⅛	[illegible]	[illegible]	–
Treas. 2½pc		[illegible]	—	27	[illegible]	[illegible]	–

BRITISH FUNDS - Cont.

Index-Linked	(b)	Price £	+ or -	1992 high	1992 low	Yield (1)	Yield (2)
Treas. 2pc '94	(102.9)	124¼xd	−⅛	124⅞	122¾	2.71	[illegible]
2pc '96	(67.9)	[illegible]	−⅛	181⅞	178¾	[illegible]	4.00
2½pc '01	(78.3)	144	−⅛	147¾	143	[illegible]	4.48
2½pc '03	(78.8)	[illegible]	−⅛	142⅞	138⅛	[illegible]	4.53
2pc '06	(69.5)	148¼	—	144	139⅛	4.34	4.57
2½pc '09	(78.8)	[illegible]	—	131⅞	126⅛	4.37	4.57
[illegible]							

OTHER FIXED INTEREST

	Notes	Price £	+ or -	1992 high	1992 low	Yield Int.	Yield Red.
[illegible]							
Hydro Quebec 15pc 2011		[illegible]	+⅛	[illegible]	[illegible]	[illegible]	10.43
Int-Am Dev 12½pc 2003		[illegible]	—	[illegible]	112⅞	[illegible]	[illegible]
9⅞pc 2015		[illegible]	[illegible]	[illegible]	[illegible]	10.27	9.56
Leeds 13½pc 2006		[illegible]	—	122	[illegible]	11.99	10.83
Liverpool 3½pc Irred.		32	—	32½	30	[illegible]	–
LCC 3pc '20 Aft.		[illegible]	—	[illegible]	27	[illegible]	–
Manchester 11½pc 2007		[illegible]	—	[illegible]	103⅞	11.27	10.45
Met. Wtr. 3pc 'B'		57¾	−¼	57¾	53	[illegible]	9.39
Wales Anglia 3⅞pc 2021		[illegible]	+½	[illegible]	[illegible]	–	5.55
4¼pc IL 2024		[illegible]	+½	[illegible]	[illegible]	–	5.22
Utd Mex States 16½pc 2008		[illegible]	—	128	121½	13.33	12.86

RUSSIA

The FT proposes to publish this survey on
May 13 1992.
The survey will be included in theFT of *that day and will be* printed in London, Frankfurt, Roubaix, New Jersey and Tokyo. It will be *distributed* in 160 countries world-wide. For further information about advertising in the survey, please contact Patricia Surridge on London,
Tel: 071-873 3426
Fax: 071-873 3079
or
Nina Golovyatenko
in Moscow
Tel (095) 243 19 57
(095) 251 24 57
Fax: (095) 243 00 77
(095) 251 24 57

FT SURVEYS

OVERSEAS UNION BANK LIMITED
US$100,000,000

Subordinated Floating Rate Notes due 2011

(Redeemable at the option of the Noteholders in 1996 and 2006)

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six months 23rd April, 1992 to 23rd October, 1992 has been fixed at 4 7/16%. The interest payable on the relevant interest payment date, 23rd October 1992, will be US$ 5,639.32 per US$250,000 Note.

Agent Bank
Chartered WestLB Limited

BUSINESS IN THE COMMUNITY

The FT proposes to publish this survey on
May 12 1992.
It will be of interest to the 81% of Captains of Industry in Great Britain who are readers of the FT. If you want to reach this important audience, and the FTs estimated one million readers worldwide call
Edward Batt on
071 873 4196 or
fax 071 873 3062

Data source: Captains of Industry 1991/ MORI

FT SURVEYS

NORWAY

The FT proposes to publish this survey on
June 23rd 1992.
The survey will be included with every copy of the FT on that day and will reach over 1 million readers in some 160 countries world wide. In Europe alone, research shows that 54% of Chief Executives of the largest Companies read the Financial Times.* To reach this important audience with your advertisement, please contact,
Chris Schaanning in Birmingham
Tel: 021 454 0922
Fax: 021 455 0869
or Kirsty Saunders in London
Tel: 071 873 4823
Fax: 071 873 3079

Data source: EBRS 1991*

FT SURVEYS

Currency Fax - FREE 2 week trial
from Chart Analysis Ltd
7 Swallow Street, London W1R 7HD, UK
exchange rate specialists for over 18 years
ask Anne Whitby
Tel: 071-734 7174
Fax: 071-439 4966

SATQUOTE
REAL-TIME EUROPEAN AND U.S. STOCK MARKET DATA AND ANALYSIS AT REALISTIC PRICES
★ ALSO FUTURES ★ OPTIONS ★ BONDS ★ FX AND NEWS ★
CALL • LONDON 71-329-3377 — FRANKFURT 49-69-639125

AMERICANS

Notes	Price £	+ or -	1992 high	low	Mkt Cap £m	Yld Gr's
Abbott Labs	28⅞xd	-1⁵⁄₁₆	38	34	15,256	1.9
♥Allegheny & W	249p	-8	338p	225p	129.4	0.8
Amdahl	895p	+32	1160p	815p	984.6	0.6
Amer Cyanamid	35	-⅛	37	32¼	3,263	2.7
Amer Express	12⅞xd	-⅛	13⅞	10[illegible]	6,979	4.4
Amer T & T	24½xd	+[illegible]	24½	20⅛	32,382	3.9
Ameritech	34¼	—	38[illegible]	32½	10,214	5.7
BankAmerica	25⅜xd	+1[illegible]	28⅝	18[illegible]	8,500	2.9
Bankers NY	31½xd	+1	37⅛	28⅞	2,995	8.7
Bell Atlantic	24½	+⅛	28⅛	23⅛	9,635	6.0
BellSouth	25⅞	+⅛	29⅛	25	13,919	5.8
♥Bethlehem Steel	7[illegible]xd	-[illegible]	9⅞	7	600.3	—
Bowater	1391pxd	+1	1579p	1078p	467.3	5.2
CPC	49[illegible]xd	+[illegible]	51⅛	45[illegible]	3,705	2.7
California Engy	674p	—	833p	648p	122.7	—
Campbell Soup	19⅛	+[illegible]	23[illegible]	19	4,836	2.3
Chase Manhattan	13⅞xd	+[illegible]	14[illegible]	9⅛	1,959	4.9
Chrysler	18⅞xd	-⅛	19⅛	6⅛	3,105	3.2
Citicorp	10⅞xd	+[illegible]	18⅛	5⅛	3,592	—
Colgate-Palm	29xd	-⅛	28⅞	25⅛	4,397	2.1
Cont'l Bank	1089p	+2	1824p	499p	1,019	3.3
Dana	24½xd	+[illegible]	24½	14[illegible]	1,087	3.7
Data General	491p	-37	1004p	491p	135.8	—
Dial	20[illegible]xd	-1[illegible]	24⅛	19⅛	820.3	3.0
Dun & Brad	39⅞	-1⅛	39½	28⅞	5,487	4.2
Eaton	45½	+⅛	48½	32½	1,569	2.7
Echlin	10⅛xd	—	11	7⅞	585.4	3.9
FPL	19[illegible]xd	-[illegible]	19[illegible]	18⅛	3,316	6.9
Fluor	24[illegible]xd	-[illegible]	27	21	1,951	0.9
Ford Motor	24½xd	—	24½	15	11,598	2.3
Gen Elect	45xd	—	46¼	40[illegible]	38,085	2.8
♥General Host	480p	-10	550p	350p	—	4.3
Gillette	27½xd	[illegible]	29⅞	26⅝	6,013	1.3

[illegible]

CANADIANS

[illegible]

BANKS

[illegible]

BREWERS & DISTILLERS

[illegible]

BUILDING MATERIALS

[illegible]

BUILDING MATERIALS - Cont.

[illegible]

BUSINESS SERVICES

[illegible]

CHEMICALS

[illegible]

CONGLOMERATES

[illegible]

CONTRACTING & CONSTRUCTION

[illegible]

CONTRACTING & CONSTRUCTION - Cont.

[illegible]

ELECTRICALS

[illegible]

ELECTRICITY

[illegible]

ELECTRONICS

[illegible]

ENGINEERING - AEROSPACE

[illegible]

ENGINEERING - GENERAL

[illegible]

ENGINEERING - GENERAL - Cont.

[illegible]

FOOD MANUFACTURING

[illegible]

FOOD RETAILING

[illegible]

HEALTH & HOUSEHOLD

[illegible]

HOTELS & LEISURE

[illegible]

INSURANCE BROKERS

[illegible]

INSURANCE COMPOSITE

[illegible]

INSURANCE LIFE

[illegible]

INVESTMENT TRUSTS

[illegible]

INVESTMENT TRUSTS - Cont.

[illegible]

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

[illegible]

INVESTMENT COMPANIES

[illegible]

MEDIA

[illegible]

MERCHANT BANKS

[illegible]

METALS & METAL FORMING

[illegible]

MISCELLANEOUS

[illegible]

MOTORS

[illegible]

OIL & GAS

[illegible]

OIL & GAS - Cont.

[illegible]

OTHER FINANCIAL

[illegible]

OTHER INDUSTRIAL MATERIALS

[illegible]

PACKAGING, PAPER & PRINTING

[illegible]

PACKAGING, PAPER & PRINTING - Cont.

[illegible]

PROPERTY

[illegible]

STORES

[illegible]

STORES - Cont.

[illegible]

TELEPHONE NETWORKS

[illegible]

TEXTILES

[illegible]

TRANSPORT

[illegible]

WATER

[illegible]

SOUTH AFRICANS

[illegible]

PLANTATIONS

[illegible]

TEAS

[illegible]

MINES

[illegible]

MINES - Cont.

[illegible]

Notes	Price	+or-	1992 high	low	Mkt Cap£m	Yld Gr's
Kells Minis	37	—	42	32	0.89	–
Kenmare	4¼	—	5½	3½	4.68	–
Malinga Res	31½	−1½	33½	31½	3.48	–
Navan Res	23½	—	28	16	8.15	–
Northgate Expl C$	38½	—	48⅞	34	4.48	–
North West Expl A$	3	—	8	2	1.01	–
Oryx Gold S	94	—	109	81	–	–
Ovoca Res	6	—	11	5½	0.42	–
Plateau	8	—	13	8	2.64	–
RTZ	597	—	605	468	5,978	4.4
Vizcaya	1¼	—	3	1	0.87	–
Western & Pac C$	8	−2	83	7	22.8	–
Young Grp	23	−2	119	4	3.48	18.1

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- ■ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ), and non-UK stocks which are quoted on SEAQ International
- ● "Tap Stock"
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ✦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Not officially UK listed; dealings permitted under Rule 535(2)
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
p Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings.
v Subject to local tax.
z Dividend yield includes a special payment
E Minimum tender price.
F Yield based on prospectus or other official estimates for 1990-91.
G Assumed yield after pending scrip and/or rights issue
H Yield based on prospectus or other official estimates for 1991.
K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1991-92.
N Yield based on prospectus or other official estimates for 1992.
P Figures based on prospectus or other official estimates for 1991
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xf ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1200 a year for each security shown, subject to the Editor's discretion

London Share Prices

Real time share prices are available by calling FT Cityline.

FT Cityline can also provide you with a confidential personal portfolio facility to give you a real time evaluation of your own *personal investments.*
For a free FT Cityline Share and Unit Trust Directory or to obtain your confidential Portfolio PIN call the FT Cityline Help desk on (071) 925 2128.
Calls charged at 36p per minute cheap rate and 48p per minute at all other times.

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128.

AUTHORISED UNIT TRUSTS

[illegible]

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro

INITIAL CHARGE: [illegible]

OFFER PRICE: [illegible]

BID PRICE: [illegible]

CANCELLATION PRICE: [illegible]

TIME: [illegible]

HISTORIC PRICING: [illegible]

FORWARD PRICING: [illegible]

SCHEME PARTICULARS AND REPORTS: [illegible]

[illegible]

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128.

Stewart Ivory Unit Tst Mgrs Ltd (1200)H
45 Charlotte Sq, Edinburgh 031-226 3271

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or −	Yield Gr's
American ♥	5	284.3	284.3	303.1	−1.9	0.75
(Accum Units) ♥	5	334.6	334.6	356.7	−2.3	0.75
British	5	826.9	844.3	893.5	+5.6	5.60
(Accum Units)	5	1386.7	1416.2	1498.4	+6.0	5.60
European	5	338.8	338.8	354.4	−2.5	1.44
(Accum Units)	5	361.8	361.8	384.2	−2.7	1.44
Japan	5	91.02	91.02	96.81	−1.05	−
(Accum Units)	5	91.75	91.75	97.58	−1.06	−
New Pacific	5	198.0	198.0	211.4	+0.3	1.66
(Accum Units)	5	203.3	203.3	217.1	+0.3	1.66
PEP Apr 15	5	156.9	158.6	167.8	+0.4	3.66
Mngd Equity	5	127.5	128.9	136.4	−0.2	2.80
Mngd Equity Acc	5	135.3	136.8	144.7	−0.2	2.80
Mngd Cash	0	95.77	95.77	95.77	−	9.82
(Accum Units)	0	120.3	120.3	120.3	−	9.82
Majority Stlg	1	99.85	99.85	100.85	−	9.51
Majority Stlg Acc	1	110.73	110.73	111.84	−	9.51

Storebrand Intl Inv Mngrs Ltd (1200)F
Admin: 5 Rayleigh Rd, Hutton, Brentwood, Essex
Enquiries: 0277 227300 Dealing: 0277 261010

International Mar 13	0	50.61	50.61	51.01	−	2.69

Sun Alliance Unit Tst Mngmt Ltd (1200)F
St Mark's Court, Horsham 0403 232323

Equity	6	626.0	626.0	669.5	−0.6	2.94
North America	6	84.28	84.28	90.14	−0.49	0.41
Far East	6	83.54	83.54	89.30	−0.10	0.67
W'wide Bond	6	47.23	47.23	50.24	−0.36	5.76
European	6	68.08	68.08	72.82	−0.02	1.69
Equity Income	6	69.74	69.74	74.59	+0.20	5.55
Portfolio	6	58.61	58.61	62.68	−0.09	2.42
Worldwide Growth	6	47.00	47.00	50.00	−	2.23

M & G Securities Ltd

	Bid Price	Offer Price	+ or −	Yield Gross
Charibond Apr 21	106.33		−0.3	10.14
(Accum Units)	643.66		−0.0	10.14
NAAGIF Apr 21	42.00		+0.3	4.42

Morgan Grenfell Investment Funds Ltd

	Bid Price	Offer Price	+ or −	Yield Gross
UK Equity † Apr 21	139.3	145.2	+2.8	1.86
UK Small Co † Apr 21	427.1	577.1	+17.0	3.47
Fixed Interest † Apr 21	112.2	118.0	−0.3	8.48
US Small Co Apr 21	162.1	173.5	−1.0	0.00
Managed Apr 21	111.0	118.8	+1.8	3.35
Intl Bond Apr 21	118.1	124.5	−0.2	10.31
Japan Apr 21	58.67	62.57	+0.6	4.09
European Apr 21	92.01	98.50	+1.3	1.72
Nth American Apr 21	118.0	128.1	+1.8	1.24

Murray Johnstone UT Mngmt

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128.

	Bid Price	Offer Price	+ or -	Yield Gross
Norwich Union Life Insurance Soc.–Contd.				
Pensioninvestor* & Unit-Linked Plus*				
Mixed Fund	456.8	480.8	+0.6	–
Ordinary Share Fund	706.7	743.9	+4.2	–
International Fund	166.4	175.2	-1.2	–
Property Fund	259.6	273.3	+0.4	–
Fixed Interest Fund	405.7	427.1	-1.3	–
Index-Linked Sec Fund	189.4	199.4	+0.3	–
Deposit Fund	280.5	295.3	+0.6	–
Norwich Units Apr 22	1116.59			–
*Prices as at April 21				
Jersey Investment Plan				
With Profits Fund	123.79	130.31	+0.04	–
Intl Equity Fund	91.60	96.43	-0.93	–
Intl Bond Fund	119.16	125.43	-0.52	–
Norwich Union Pensions Management Ltd				
Surrey Street, Norwich, NR1 3NG			0603 683335	
Group Pooled Pensions				
Balanced Managed Fd	326.50	331.99	-1.48	–
Growth Managed Fd	108.62	110.55	-0.55	–
Sentinel Managed Fd	106.76	108.12	-0.43	–
Prices as at April 21				
Pearl Assurance (Unit Funds) Ltd				
Lynch Wood, Peterborough PE2 6FY			0733 470470	
Property Dist. (Gross)	133.9	141.0	-0.6	–
Property Acc. (Gross)	255.2	268.7	-1.1	–
Equity (Gross)	902.7	950.2	+4.2	–
Managed (Gross)	625.8	658.8	+2.4	–
Property Acc. (Net)	121.9	128.3	-0.5	–
Equity (Net)	208.6	219.6	+0.9	–
Managed (Net)	192.4	202.5	+0.6	–
International (Net)	166.6	175.4	+0.5	–
Gilt & Fixed Interest	138.4	145.7	-0.1	–
Money Fund	138.1	145.4		–
Mixed Fund (Cap)	112.4	118.4		–
Mixed Fund (Acc)	116.0	122.2		–
Pearl Assurance (Unit Linked Pens) Ltd				
Ret Man (Series 1)	679.3	715.1	+0.4	–
Ret Man (Series 2)	230.3	242.5	+0.1	–
Ret Cash	193.7	203.8		–
Pens Mixed Fd (Cap)	124.8	131.4		–
Pens Mixed Fd (Acc)	128.7	135.5		–
Pens Stlg Fd (Cap)	102.2	107.6		–
Pens Stlg Fd (Acc)	105.4	111.0		–
Pegasus Assurance Ltd				
Broad Quay, Bristol BS1 4DJ			0272 230271	
Life Funds				

	Bid Price	Offer Price	+ or -	Yield Gross
Provident Mutual Life Assc. Assn.–Contd.				
Fixed Interest Ord	224.3	236.1	+0.2	–
Fixed Interest Init	164.7	173.4	+0.2	–
Deposit Ord	184.6	194.3		–
Deposit Init	135.5	142.6	–	–
Pension Funds				
Managed Ord	464.4	488.8	-0.7	–
Managed Init	340.9	358.8	-0.6	–
Equity Ord	722.7	760.7	-1.5	–
Equity Init	530.5	558.4	-1.2	–
Pen Ind Lkd Gilt Ord	179.6	189.1	+0.7	–
Pen Ind Lkd Gilt Init	137.7	144.9	+0.4	–
Overseas Equity Ord	305.3	321.4	-0.6	–
Overseas Equity Init	224.2	236.0	-0.4	–
Property Ord	279.6	294.3	+0.1	–
Property Init	205.2	216.0		–
Fixed Interest Ord	284.4	299.4	+0.3	–
Fixed Interest Init	208.8	219.8	+0.2	–
Deposit Ord	263.9	277.8	+0.1	–
Deposit Init	193.7	203.9	–	–
Prudential Assurance Co				
Holborn Bars, London EC1N 2NH			071-405 9222	
Prufund				
Managed Mar 22	262.6	273.6	+0.31	–
Prudential Corporate Pension Funds				
1 Stephen St, London W1P 2AP			071-548 3201	
Prudential Managed Funds				
Discretionary Apr 8	£184.82	190.52	–	–
Equity Apr 8	£211.93	219.20	–	–
International Apr 8	£27.06	27.64	–	–
Intl Bond Apr 8	£14.48	14.67	–	–
Fixed Int Apr 8	£103.59	106.76	–	–
Index Linked Apr 8	£71.77	72.67	–	–
Property Apr 8	£108.54	114.42	–	–
Cash Apr 8	£30.2087	30.2087	–	–
Pru-Linked Retirement Plan				
Managed Apr 21	457.4	476.5	+0.4	–
Cash Apr 21	278.2	289.8	+0.3	–
Prudential Pension Investment Account				
Pens Mixed Apr 22	182.9	196.7	-0.4	–
Pens UK EQ Apr 22	327.8	353.4	-0.8	–
Pens Intl Apr 22	195.3	209.8	-0.5	–
Pens Global Eqty Apr 22	102.5	107.9	-0.2	–
Pens Fixed Apr 22	235.6	248.8	+0.4	–
Pens Index Lk Apr 22	187.5	197.9	+0.9	–
Pens Property Apr 22	89.0	93.7		–

Scottish Amicable

Sun Alliance Group

Western Assurance Society

Providence Capital International Ltd

J. O. Ward Financial Services Ltd

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED**)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED**)

ISLE OF MAN (SIB RECOGNISED)

OFFSHORE INSURANCES

MANAGEMENT SERVICES

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128.

		Bid Price	Offer Price	+ or –	Yield Gross
CMI Fund Managers (IoM)					
Clerical Medical Hse, Douglas, IoM 0624 625999					
High Income	5	[illegible]	0.4831	[illegible]	[illegible]
CMI Core Portfolio Fund					
UK	5	1.0479	1.1220	[illegible]	–
USA	5	1.0679	1.1333	[illegible]	–
Japan	5	0.4381	0.4624	[illegible]	–
Equity & Law Intl Fund Mngrs Ltd					
Victory Hse, Prospect Hill, Douglas IoM 0624 677877					
Total Income Fd	5	96.01	96.01 101.05	[illegible]	[illegible]
[illegible] Fund Managers (IoM)					
PO Box 32, Douglas, IoM 0624 627610					
Intl Grth	5¼	489.9	489.9 525.4	+0.3	0.9
Leopold Joseph Fund Mngrs (IoM) Ltd					
PO Box 52 Athol St Douglas IoM 0624 661020					
L.J. International	5¼	94.53	94.53 101.7	+0.30	–
[illegible] Fund Managers IoM Ltd					
11 Hill Street, Douglas IoM 0624 662256					
[illegible]	5	104.6	104.6 111.6	[illegible]	6.9
[illegible]	5	49.93	49.93 52.48	[illegible]	8.5
Sun Life Management (IoM) Ltd					
PO Box 178, Douglas, IoM 0624 622444					
Secure High Income	6	[illegible]	1.0437 1.1167	[illegible]	6.06
Unibank Scandinavian Fund Ltd					
23 Bucks Road, Douglas, IoM 06246 26484					
Scandinavia Fd	5	–	138.04 147.18	–	1.0

ISLE OF MAN (REGULATED)(**)

	Bid Price	Offer Price	+ or –	Yield Gross
ATC Fund Management (SG) Ltd				
SG International	$10.57		–	–
CMI Fund Mngrs [illegible]				
Traders Fund Ltd	$27.21	28.61	–0.00[illegible]	–

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or –	Yield Gr's
EMC Trust Company (Jersey) Ltd						
Income			$15.18	15.654	–	2.73
Capital			$23.63	24.349	–0.010	5.50
*Offer price includes 3% prelim. charge.						
International Income Fund						
Eurobd Long Term*			$33.20	34.7139	+0.0104	4.87
* Offer Price includes 3½% Initial Charge.						
EquiVest International Mngt Ltd						
First Aust. Prime Inc Inv Co Ltd NAV Apr 16 C$10.87						
First Aust Prime Inc Inv Co Ltd NAV Apr 16 US$10.59						
Fidelity Investment (CI) Ltd						
Sterling American			£2.457	2.586	–	–
Fleming Group						
Robert Fleming Management (Jersey) Ltd						
Deutschland Inv Co NAV			DM16.53		–	–
Foreign & Colonial Mngt (Jersey) Ltd						
US$ Cash			$10.67		+0.01	–
Multicurrency Cash			$16.40		–0.01	–
Sterling Cash			£11.77		+0.01	–
US$ Bonds			$14.62		–	–
Multicurrency Bonds			$19.31		–0.04	–
Sterling Bonds			£13.20		–	–
D Mark Bonds			DM10.46		–	–
Ecu Bonds			Ecu11.68		–	–
UK Equities			£10.72		–0.02	–
US Equities			$16.30		–0.19	–
Japanese Equities			Y997		+0.05	–
Global Equities			$10.35		–0.07	–
John Govett Management (Jersey) Ltd						
[illegible]			$10.40		–	–
[illegible]			$8.02		–	–
Paragon Fd NAV Mar 31			$10.29		–	–
[illegible]			$9.99		–	–
[illegible] Mar 31			104.37		–	–

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

	Bid Price	Offer Price	+ or –	Yield Gross
Global Asset Management – Contd.				
GAM Overseas	$131.04		–	–
GAM Pacific	$542.07		–	–
GAM Pacific Basin Fd	$121.97		–	–
GAM Restructuring	$150.87		+1.36	–
GAM Selection	$306.99		+1.36	–
GAM Singapore/Malaysia	$246.13		–	–
GAM SFr Special Bond	SFr108.45		+0.10	–
GAM Tokyo Fonds	DM100.14		–	–
GAM Tokyo Fonds Acc	DM100.14		–	–
GAM Tyche	$263.71		–	–
Orbis Investment Management Ltd				
Orbis Global Eqty	$12.62	13.25	–	–
Orbis Optimal Eqty	$17.27	18.15	–	–
Orbis Leveraged Eqty	$18.46	19.51	–	–
* Prices on Apr 16 Next Pricing Apr 23 Weekly Pricing				
Orbitex Bahamas Ltd				
Orbitex Nat Res Fd	C$7.5980	8.3581	–	–
Orbitex Growth Fund	$6.7537	7.4291	–	–
[illegible]	$4.6646	5.1311	–	–

MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales. b Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Designated in Luxembourg as a UCITS (Undertakings for Collective Investment in Transferable Securities). z Offered price includes all expenses except agent's commission. y Previous day's price. §§ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ¤ Only available to charitable bodies. ● Yield column shows annualised rates of NAV increase. ad ex dividend.

(**) Funds not SIB recognised. The regulatory authorities for these funds are: Guernsey Financial Services Commission; Ireland: Central Bank of Ireland; Isle of Man: Financial Supervision Commission; Jersey: Commercial Relations Department; Luxembourg: Institut Monétaire Luxembourgeois.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling in spotlight

A WAVE of overnight buying *put sterling firmly in the spot*light on currency markets yesterday, *writes James Blitz.*

Having closed at DM2.9140 the previous night, the currency opened in London at DM2.9310 yesterday morning and closed at DM2.9308. It also strengthened against a lifeless dollar, finishing at $1.7630, compared with $1.7480 previously.

By the end of the day, sterling had clambered above the French Franc in the ERM grid *for the first time since it joined* the system in October 1990, reaching its best levels for nearly a year.

Traders said that overnight buying of sterling, estimated to be around £400m, came from a number of sources, including Singapore and another Far East Asian state.

One trader explained sterling's popularity as a reaction to better news about the UK economic recovery. He also said that foreign investors had been short in sterling assets. There were claims, too, that investors were gambling on the possibility that sterling would soon enter the narrow band of the EMS.

By contrast, the D-Mark had a bad day, ending weaker against most currencies. According to Mr Julian Simmonds of Citibank, uncertainty about the German currency may be linked to the run-up to this weekend's G7 meeting in Washington. "There is a feeling that the G7 will push for lower interest rates in Germany to promote growth throughout Europe," he said. "That is why the Mark is being sold."

The D-Mark ended weaker against most currencies, and dropped to its lowest level for a year against the French Franc, ending at FFr3.3773 from 3.3795. Fears of a strike by German public sector workers also unsettled the currency.

The French franc strengthened to a late 3.3773 per D-Mark, its highest level in a year from 3.3796 last night on a combination of corporate demand and investor confidence that the government of Mr Pierre Bérégovoy, the French prime minister, will keep the French franc strong.

In late Asian trading, the dollar ended steady against the Yen and the D-Mark on continued bullish sentiment. Earlier it reached a high of Y134.58, after which strong resistance prompted dealers to take profits. The dollar closed in Tokyo at Y134.25 DM1.6701.

In London, the dollar continued to sag. Traders said operators saw no reason to buy dollars until they got fresh information on the state of the US economy. The next pointers are due today with the publication of US durable goods orders for March, and of the latest weekly jobless claims. The dollar slipped from 1.6700 to 1.6635 against the D-Mark.

In the US, the dollar was softer against most currencies at midday after swaying delicately in narrow trading bands throughout the morning.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Apr 22	% Change from Central Rate	% Spread v Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	128.952	-3.50	5.26	65
Portuguese Escudo	178.735	174.519	-2.36	3.70	38
Belgian Franc	42.4032	42.2293	-0.41	1.67	24
Dutch Guilder	2.31643	2.31062	-0.25	1.51	16
D-Mark	2.05586	2.05283	-0.15	1.41	14
Italian Lira	1538.24	1541.01	0.18	1.07	-5
Irish Punt	0.767417	0.769140	0.22	1.03	-7
Sterling	0.696904	0.700395	0.50	0.75	-11
French Franc	6.89509	6.93409	0.57	0.69	-27
Danish Krone	7.84195	7.94050	1.26	0.00	-54

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
Adjustment calculated by Financial Times.

£ IN NEW YORK

Apr 22	Latest	Previous Close
£ Spot	1.7625-1.7645	1.7500-1.7507
1 month	1.01-0.99pm	1.03-1.01pm
3 months	2.69-2.66pm	2.70-2.67pm
12 months	8.75-8.65pm	8.77-8.67pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

[illegible]

CURRENCY MOVEMENTS

[illegible]

CURRENCY RATES

[illegible]

OTHER CURRENCIES

Iran	2520.00*	1440.00*
KoreaSth	1354.05 - 1375.85	774.70 - 783.90
Kuwait	0.51980 - 0.52080	0.29550 - 0.29560
Luxembourg	60.25 - 60.35	34.20 - 34.30
Malaysia	4.4680 - 4.4790	2.5435 - 2.5455
Mexico	5313.70 - 5325.50	3074.50 - 3074.50
N.Zealand	3.2685 - 3.2725	1.8575 - 1.8600
Saudi Ar.	6.5430 - 6.6200	3.7495 - 3.7505
Singapore	2.9120 - 2.9190	1.6565 - 1.6585
S.Af (Cm)	5.0710 - 5.0830	2.8850 - 2.8865
S.Af (Fn)	5.9040 - 6.0050	3.3555 - 3.4130
Taiwan	44.45 - 44.60	25.25 - 25.35
U.A.E.	6.4070 - 6.4835	3.6715 - 3.6735

*Floating rate. Iran Official rate £116.90 $67.30

POUND SPOT - FORWARD AGAINST THE POUND

[illegible]

Commercial rates taken towards the end of London trading.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

[illegible]

Commercial rates taken towards the end of London trading. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

[illegible]

EXCHANGE CROSS RATES

Apr 22	£	$	DM	Yen	F Fr.	S Fr.	N Fl.
£	1	1.763	2.933	236.5	9.900	2.718	3.300
$	0.567	1	1.664	134.1	5.615	1.542	1.872
DM	0.341	0.601	1	80.63	3.375	0.927	1.125
YEN	4.228	7.456	12.40	1000.	41.86	11.49	13.95
F Fr.	1.010	1.781	2.963	238.9	10.	2.745	3.333
S Fr.	0.368	0.649	1.079	87.01	3.642	1	1.214
N Fl.	0.303	0.534	0.889	71.67	3.000	0.824	1
Lira	0.454	0.801	1.332	107.4	4.496	1.234	1.499
C $	0.478	0.844	1.403	113.2	4.737	1.300	1.579
B Fr.	1.658	2.924	4.864	392.2	16.42	4.507	5.473
Pta	0.546	0.962	1.600	129.0	5.401	1.483	1.800
Ecu	0.699	1.233	2.051	165.4	6.923	1.901	2.308

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100: Peseta per 100.

FINANCIAL FUTURES AND OPTIONS

[illegible]

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls June	Calls September	Calls December	Puts June	Puts September	Puts December
105	-	-	-	0.01	-	-
106	-	-	-	0.03	0.27	-
107	1.21	-	-	0.11	0.48	-
108	0.49	1.14	-	0.38	0.88	-
109	0.14	0.71	-	1.03	-	-
110	0.03	0.38	-	-	-	-
111	0.02	0.21	0.48	-	-	-
Open Int.	125,695	37,660	4,945	96,301	23,429	8,673

Estimated volume 13,077 Total Open Interest 298,701

BASE LENDING RATES

	%		%		%
Adam & Company	10.5	Credit Lyonnais	10.5	McDonnell Douglas Bnk.	10.5
Allied Trust Bank	10.5	Cyprus Popular Bk	10.5	Midland Bank	10.5
AIB Bank	10.5	Duncan Lawrie	10.5	Mount Banking	10.5
● Henry Ansbacher	10.5	Equatorial Bank plc	10.5	NatWestminster	10.5
B & C Merchant Bank	10.5	Exeter Bank Limited	11	Northern Bank Ltd	10.5
Bank of Baroda	10.5	Financial & Gen. Bank	11	Nykredit Mortgage Bank	11
Banco Bilbao Vizcaya	10.5	First National Bank Plc.	14	Provincial Bank PLC	14
Bank of Cyprus	10.5	● Robert Fleming & Co.	10.5	Roxburghe Bank Ltd.	11.5
Bank of Ireland	10.5	Robert Fraser & Ptns.	11	Royal Bk of Scotland	10.5
Bank of India	10.5	Girobank	10.5	● Smith & Williamson Secs.	10.5
Bank of Scotland	10.5	● Guinness Mahon	10.5	Standard Chartered	10.5
Banque Belge Ltd	10.5	● Hambros Bank	10.5	TSB	10.5
Barclays Bank	10.5	Hampshire Trust Plc	13.5	Unibank plc	10.5
Benchmark Bank	11	Heritable & Gen Inv Bnk.	10.5	● United Bk of Kuwait	10.5
Brit Bk of Mid East	10.5	● Hill Samuel	10.5	Unity Trust Bank Plc	10.5
● Brown Shipley	10.5	C. Hoare & Co.	10.5	Western Trust	10.5
CL Bank Nederland	10.5	Hongkong & Shanghai	10.5	Westpac Bank Corp.	10.5
Citibank NA	10.5	Julian Hodge Bank	10.5	Whiteaway Laidlaw	10.5
City Merchants Bank	10.5	● Leopold Joseph & Sons	10.5	Yorkshire Bank	10.5
Clydesdale Bank	10.5	Lloyds Bank	10.5		
Co-operative Bank	10.5	Meghraj Bank Ltd	10.5		
Coutts & Co	10.5				

● Members of British Merchant Banking & Securities Houses Association.

MONEY MARKETS

Rates stay firm

THE JUMP in the value of sterling overnight fuelled early speculation of a cut in base rates, although that enthusiasm was later dampened. This was the chief factor in an otherwise quiet day of money market dealing.

The June short sterling contract opened higher at 89.84, having closed the previous evening at 89.78. However, it ended the day unchanged on the previous night's figure, indicating an implied interest rate of 10.22 per cent.

The three-month Interbank rate, a key indicator of future base rate movements stood at 10½-⅝ per cent.

Overnight rates trod a similar course peaking at 11⅛ per cent, before finishing the day at 10⅞. The main reason for that rise was the larger than expected liquidity shortage forecast by the Bank of England in the discount money market.

The Bank of England forecast a £1.3bn shortfall, some £500m bigger than many in the market had been expecting.

One dealer said: "We were slightly taken aback by the size of the shortage. A lot of bills were sold last week to pay for gilt sales and people are short of the sort of paper that they want to sell."

The shortage was later revised to £1.15bn.

In early operations the Bank of England found takers for a mere £100m of a 15 day repurchase agreement at an interest rate of 10⅛ per cent.

Later, the bank purchased bills totalling £56m sterling of which £26m were outright band 1 bank bills at 10⅜%, and £30m for resale to the market on 11 May at an interest rate of 10⅛ per cent.

In afternoon trading the bank purchased bills totalling £725m sterling and provided further assistance of £25m.

German call money rose after the Bundesbank drained liquidity with this week's repurchase tender, but experts did not see the rise as a sign of tighter policy ahead of Thursday's Central Bank Council meeting.

Money market dealers quoted call money at 9.70 per cent after Tuesday's 9.65/70 per cent. Dealers and economists saw the Bundesbank making no policy changes, but expected it to keep call money very close to the 9.75 per cent Lombard while waiting for signs of a slowdown in money supply growth and Bonn government spending.

UK clearing bank base lending rate 10.5 per cent from September 4, 1991

FT LONDON INTERBANK FIXING

[illegible]

MONEY RATES

[illegible]

LONDON MONEY RATES

[illegible]

MONEY MARKET FUNDS

Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

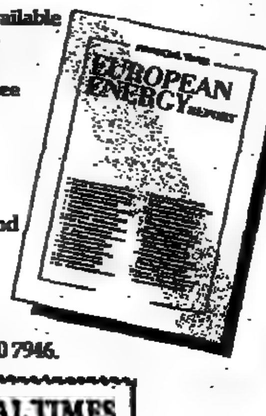
EUROPEAN ENERGY REPORT

If you are involved in the energy sector, why not telephone today for the latest issue of the Financial Times newsletter – European Energy Report?

Each issue provides a unique and fully comprehensive briefing on the projects and policies which are shaping the West European energy market. The package consists of:

- European Energy Report – a twice-monthly 12 – 16 page digest covering all energy news
- Country Profiles – supplements investigating each country's energy sector
- Special Reports – supplements assessing an energy sector, policy, issue or country
- Quarterly Index – to track articles and news items over back issues.

European Energy Report is available only on subscription from the Financial Times, so telephone Alison Yates today for your free copy:



071-240 9391

or attach your business card and post or fax to Alison Yates, Financial Times Newsletters, Tower House, Southampton Street, London WC2E 7HA.
Tel.: 071-240 9391. Fax.: 071-240 7946.

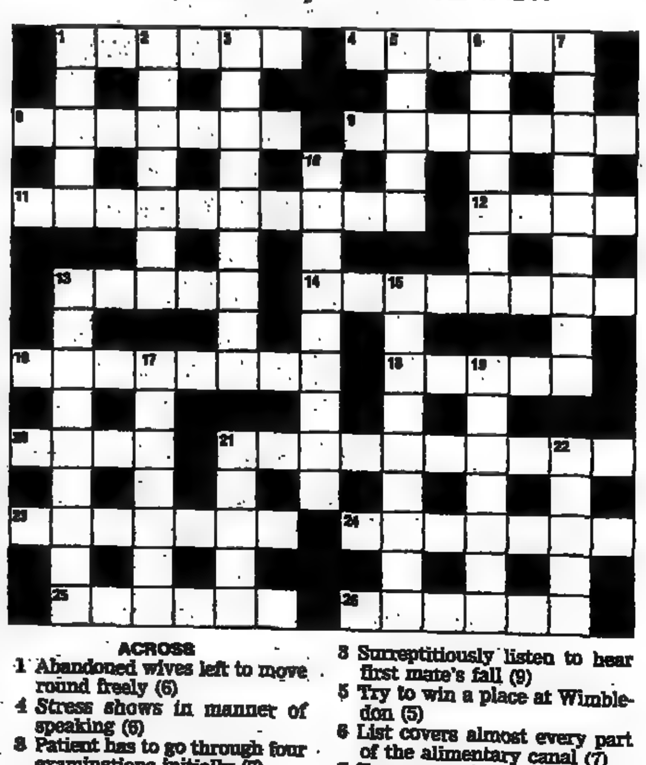
FINANCIAL TIMES NEWSLETTERS

ER/3/060

JOTTER PAD

CROSSWORD

No.7,830 Set by HIGHLANDER



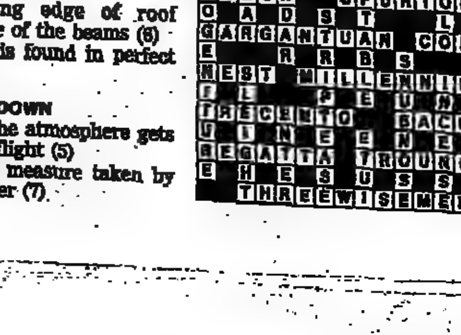
ACROSS

1 Abandoned wives left to move round freely (6)
4 Stress shows in manner of speaking (6)
8 Patient has to go through four examinations initially (7)
9 Type of bridge in Sale a copper backed into, out of control (7)
11 Paper has not detailed these changes (10)
12 Reportedly struck spellbound (4)
13 It's safe with one of the disciples (5)
14 Your Old Nick starts trying to avoid detection (8)
16 Show up at Boxer riots (8)
18 Fight although peace is declared (5)
20 Take a look round the Tower (4)
21 Clever, hard-working student said it deals with bugs (3-7)
23 Discontinue advertising magazine: there's no one left (7)
24 Standard rose goes over in wind (7)
25 On leading edge of roof behind one of the beams (6)
26 Explosive is found in perfect order (6)

DOWN

1 The way the atmosphere gets to one in flight (5)
2 Immediate measure taken by road worker (7)
3 Surreptitiously listen to hear first mate's fall (9)
5 Try to win a place at Wimbledon (5)
6 List covers almost every part of the alimentary canal (7)
7 Transport soldiers with it (9)
10 Put down minimum distances at any rate (9)
13 Food supplies for salesman, confirmed the German (9)
15 Wheelers' cooked course which appears in another place (9)
17 Send up to strip used for aircraft departure (4,3)
19 Reunite dispersed followers (7)
21 Organised group of people supporting the church (5)
22 Diligently apply for time on two rivers (5)

Solution to Puzzle No.7,829



WORLD STOCK MARKETS

AUSTRIA · BELGIUM/LUXEMBOURG · DENMARK · FINLAND · FRANCE · FRANCE (continued) · GERMANY · GERMANY (continued) · ITALY · NETHERLANDS · NORWAY · SPAIN · SOUTH AFRICA · SWEDEN · SWEDEN (continued) · SWITZERLAND · JAPAN · AUSTRALIA · AUSTRALIA (continued) · HONG KONG · MALAYSIA · SINGAPORE

[illegible]

CANADA

TORONTO

3:00 pm prices April 22

[illegible]

MONTREAL

3:00 pm prices April 22

[illegible]

Total Sales 11,149,900 shares

INDICES

NEW YORK

DOW JONES	Apr 21	Apr 20	Apr 16	Apr 15	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
♦Industrials	3343.25	3336.31	3366.50	3353.76	3366.50 (16/4)	3172.41 (2/1)	3366.50 (16/4/92)	41.22 (2/7/32)
Home Bonds	99.17	99.01	99.43	99.59	99.81 (6/2)	98.41 (20/3)	99.81 (6/2/92)	54.99 (1/10/81)
Transport	1354.82	1371.64	1396.86	1395.74	1467.68 (20/2)	1301.57 (8/4)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	208.12	208.63	210.13	207.81	225.59 (3/1)	200.74 (8/4)	236.23 (2/1/90)	10.50 (8/4/32)

♦Day's High 3366.50 (3375.67) Low 3305.68 (3300.98)

STANDARD AND POOR'S

	Apr 21	Apr 20	Apr 16	Apr 15	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	410.26	410.16	416.04	416.28	420.77 (15/1)	394.50 (8/4)	420.77 (15/1/92)	4.40 (1/6/32)
Industrials	487.23	487.56	495.44	496.40	499.27 (15/1)	470.91 (8/4)	499.27 (15/1/92)	3.62 (21/6/32)
Financial	34.22	33.93	34.33	34.42	35.14 (15/1)	32.40 (8/4)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	225.70	225.77	228.90	229.15	231.85 (15/1)	217.92 (8/4)	231.85 (15/1/92)	4.46 (25/4/42)
Amex Mkt. Value	386.73	387.08	392.64	394.16	418.99 (12/2)	380.90 (8/4)	418.99 (12/2/92)	29.31 (9/12/72)
NASDAQ Composite	575.05	577.20	591.81	600.03	644.92 (12/2)	573.68 (8/4)	644.92 (12/2/92)	54.87 (31/10/72)

	Apr 10	Apr 3	Mar 27	year ago (approx.)
Dow Industrial Div. Yield	2.85	2.85	2.86	3.45

	Apr 8	Apr 1	Mar 25	year ago (approx.)
S & P Industrial div. yield	2.70	2.64	2.62	2.88
S & P Indl. P/E ratio	27.95	28.56	28.78	17.95

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day
Citicorp	6,716,800	18¼	+ 1½
Unisys Corp	4,020,400	10¼	- ¼
Storage Tech	3,760,000	45⅝	- 10⅝
Silicon	3,039,700	15¼	- 2⅝
Glaxo	2,659,800	26⅞	+ ⅛
Limited Inc	2,428,300	23¼	+ ⅜
ALLTEL Corp	2,235,000	38¼	- ⅞
Chase Bank	2,203,300	34¼	+ ⅝
IBM	2,115,800	90⅛	+ ⅝
Intl Game Tech	2,094,900	27⅛	- 1⅛

TRADING ACTIVITY

† Volume Millions	Apr 21	Apr 20	Apr 16
New York SE	214.400	191.910	252.480
Amex	12.993	11.147	15.479
NASDAQ	201.776	178.051	198.477
NYSE			
Issues Traded	2,229	2,230	2,239
Rises	775	474	817
Falls	929	1,268	901
Unchanged	525	488	521
New Highs	50	46	72
New Lows	31	28	14

CANADA

TORONTO	Apr 21	Apr 20	Apr 16	Apr 15	1992 HIGH	1992 LOW
Metals & Minerals	2965.84	2958.11	2953.02	2928.59	3238.87 (16/1)	2828.26 (8/4)
Composite	3380.73	3398.80	3415.09	3411.30	3666.00 (16/1)	3318.10 (8/4)
MONTREAL Portfolio	1778.23	1790.64	1800.72	1796.45	1937.59 (16/1)	1727.04 (8/4)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	Apr 22	Apr 21	Apr 20	Apr 17	1992 HIGH	1992 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1599.0	1588.6	(c)	(c)	1675.60 (15/1)	1545.30 (9/4)
All Mining (1/1/80)	694.7	695.4	(c)	(c)	717.20 (25/2)	660.30 (2/1)
AUSTRIA						
Credit Aktien (30/12/84)	417.32	416.21	(c)	(c)	458.57 (24/2)	372.24 (2/1)
Traded Index (2/1/91)	995.15	990.41	(c)	(c)	1099.43 (24/2)	901.64 (2/1)
BELGIUM						
BEL20 (1/1/91)	1199.19	1195.43†	(c)	(c)	1234.72 (3/3)	1097.23 (8/1)
DENMARK						
Copenhagen SE (3/1/83)	334.44	334.66	(c)	(c)	365.29 (15/1)	326.35 (9/4)
FINLAND						
HEX General (28/12/90)	812.9	804.1	(c)	(c)	935.98 (24/2)	778.30 (9/4)
FRANCE						
CAC General (31/12/82)	536.39	533.60	(c)	(c)	538.64 (16/4)	475.53 (2/1)
CAC 40 (31/12/87)	1983.68	1980.36	(c)	(c)	1993.88 (10/3)	1749.91 (2/1)
GERMANY						
FAZ Aktien (31/12/58)	713.88	711.48	(c)	(c)	715.44 (3/3)	643.26 (8/1)
Commerzbank (1/12/53)	2013.2	2006.00	(c)	(c)	2026.70 (3/3)	1813.80 (8/1)
DAX (30/12/87)	1753.30	1746.50	(c)	(c)	1764.80 (6/3)	1578.73 (8/1)
HONG KONG						
Hang Seng Bank (31/7/64)	5189.03	5093.09	(c)	(c)	5189.03 (22/4)	4301.78 (2/1)
IRELAND						
ISEQ Overall (4/1/88)	1422.76	1413.98	(c)	(c)	1469.57 (17/1)	1346.61 (3/4)
ITALY						
Banca Com. Ital. (1972)	507.15	506.33	(c)	507.54	551.59 (6/2)	496.23 (9/4)
MIB General (2/1/92)	999.0	998.6	(c)	1000.0	1086.00 (5/2)	977.00 (30/3)
JAPAN						
Nikkei (16/5/49)	16839.12	16787.33	17071.36	17588.69	23801.18 (6/1)	16598.15 (9/4)
Tokyo SE (Topix) (4/1/68)	1283.03	1280.20	1292.69	1321.41	1763.43 (6/1)	1196.19 (9/4)
2nd Section (4/1/68)	1929.75	1946.44	1966.37	1978.98	2459.85 (6/1)	1910.56 (9/4)
MALAYSIA						
KLSE Composite (4/4/86)	573.97	572.57	572.46	575.75	619.06 (20/2)	546.63 (14/1)
NETHERLANDS						
CBS Tot.Rtn.Gen.(End 1983)	300.2	299.4	(c)	(c)	300.20 (22/4)	274.00 (8/1)
CBS All Shr (End 1983)	210.5	209.9	(c)	(c)	210.50 (22/4)	192.40 (8/1)
NORWAY						
Oslo SE (Ind) (2/1/83)	705.70	713.12	(c)	(c)	748.03 (17/1)	667.88 (25/2)
PHILIPPINES						
Manila Comp (2/1/85)	1164.39	1171.54	1176.22	(c)	1303.30 (17/1)	1083.01 (17/3)
SINGAPORE						
SES All-Singapore (2/4/75)	381.44	381.4	382.70	(c)	416.99 (21/1)	370.13 (9/4)
SOUTH AFRICA						
JSE Gold (28/9/78)	1023.04	1019.0	(c)	(c)	1327.00 (21/1)	1018.00 (21/4)
JSE Industrial (28/9/78)	4192.04	4174.0	(c)	(c)	4535.00 (15/1)	4169.00 (2/1)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	584.22	588.51	587.81	587.72	691.48 (8/2)	569.65 (10/4)
SPAIN						
Madrid SE (30/12/85)	251.41	252.84	253.43	(c)	266.51 (28/2)	238.93 (2/1)
SWEDEN						
Affarsvarlden Gen. (1/2/37)	980.00	982.60	(c)	(c)	1009.70 (20/3)	913.70 (2/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	833.3	828.0	(c)	(c)	833.30 (22/4)	748.50 (8/1)
SBC General (1/4/87)	654.4	650.8	(c)	(c)	654.40 (22/4)	601.10 (8/1)
TAIWAN**						
Weighted Price (30/6/66)	4505.07	4556.09	4547.74	4503.22	5391.63 (30/1)	4405.44 (13/4)
THAILAND						
Bangkok SET (30/4/75)	786.93	785.09	808.84	822.88	832.39 (7/4)	711.81 (3/1)
WORLD						
M.S. Capital Intl.(1/1/70) ($)	486.1*	485.4	486.3	(c)	542.10 (7/1)	467.50 (8/4)
Euro Top-100 [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

**Saturday April 18: Taiwan Weighted Price: 4537.81, Korea Comp Ex. 587.79.
♦ Subject to official recalculation. †-Correction. *Calculated at 15.00 GMT.
Base values of all indices are 100 except: Austria Traded, BEL20, HEX Gen., MIB Gen., Euro Top-100, ISEQ Overall and DAX – 1,000, JSE Gold – 255.7, JSE 26 Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks

Tuesday 22 April 1992

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
TEAC	6.6m	1,030	+50	Toshiba	2.6m	613	+1
Morinaga Milk	6.3m	751	+28	Meiji Milk Prod	2.4m	747	+22
Chiyoda Corp	4.6m	1,330	+10	Mitsubishi Elec	2.3m	479	-11
Nippon Steel	3.5m	285	-3	Nomura Secs	2.2m	1,270	-30
Hitachi	3.0m	825	+3	Nippon Zeon	2.1m	587	+9

SOUTH AFRICA 1992

The FT proposes to publish this survey on
May 29 1992.
This survey will be read in 160 countries worldwide, including South Africa where it will be widely distributed. In Europe 92% of the professional investment community regularly read the FT. If you want to reach this important audience, call

Louise Hunter
071 873 3238
or Fax 071 873 3079.

Data source: Professional Investment Community 1991 (MPG Int'l)

FT SURVEYS

Price data supplied by Telekurs.

NOTES – Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. (u) Unavailable. (s) Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

3:00 pm prices April 22

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1992 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15¾	12¾	AAR Corp	0.48	3.6	16	87	14¼	13¾	13¾	-½
26	20⅝	A L Labs A	0.18	0.8	110	142	23¼	22⅞	23⅛	+⅛
68¾	56	AMP Inc	1.82	2.8	23	1529	60	58½	58¾	-1¼
80¼	67⅛	AMR				2271314	68	d64¾	65½	-3
2⅞	1⅞	ARX			2	39	2	2	2	
63½	41	ASA	2.00	4.8	12	236	42¾	42	42	-¾
68¾	55¾	Abbott Lab x	1.20	1.9	23	3511	63¾	62½	63¼	+⅜
13⅞	12	Abitibi Pr x	0.43	3.5	12	18	12⅛	d12	12⅛	+⅛
11⅝	10⅛	ACM Gvt In	0.96	9.2		195	10⅜	10¼	10⅜	
10⅝	9⅛	ACM GvOpp	0.80	8.6		14	9⅜	9¼	9¼	-⅛
9½	8½	ACM Gvt Sp	0.80	9.3		394	8¾	d8½	8⅝	
11¼	10⅜	ACM Gvt Se x	0.96	9.4		226	10⅜	10¼	10¼	
9⅞	8⅞	ACM Man	0.95	10.4		126	9¼	9⅛	9⅛	-⅛
12⅞	10⅝	ACM Managd	1.08	9.8		125	11	10⅞	11	
11⅞	7	Acme Cleve	0.40	4.3	17	622	9⅜	8⅞	9⅛	-⅛
8¼	4½	Acme Elect			4	10	5⅜	5⅜	5⅜	
33¼	18⅞	Acuson			12	486	20⅞	20⅛	20½	+⅛
18½	16¼	Adams Expr	0.48	2.6	0	76	18⅝	18½	18½	-⅛
15½	13	Adobe12Pf	2.40	16.7		59	14⅜	14¼	14⅜	+⅛
5⅞	4½	Adobe Res			2	30	4⅞	4⅞	4⅞	-⅛
40¼	40¼	Ad Micro	3.00	7.4		38	40½	d40	40½	+¼
21½	16	Ad Micro P	3.00	18.6		63051	16½	d16	16⅛	-⅛
8¼	5	Advest Grp	0.16	2.4	67	38	6⅞	6⅝	6⅝	-⅛
71¾	67⅛	Aegon ADR	1.50	2.2	6	2	68¼	68¼	68¼	+¼
47	39	Aetna Lf x	2.76	6.3		91841	44	43½	43¾	+⅛
12	8⅞	Affil A	0.24	2.2	11	298	10⅝	10½	10⅝	-⅛
32⅞	24	Aflac	0.40	1.6	14	624	26⅛	25⅝	25⅝	-⅛
19⅞	15⅛	Ahmanson	0.88	5.1		89146	17⅞	16⅞	17¼	+⅛
22½	12½	Aileen Inc			11	207	13½	12⅞	13	-⅛
48½	36½	Air Pr Chm	0.80	1.7	21	6886	48¼	47¼	47¾	+¾
29¾	21½	Airbne Frt	0.30	1.3	16	786	23	22½	23	+⅛
[illegible]										

- B -

[illegible]

A strong group.

Stable earning levels due to the balanced structure of the VIAG Group.

VIAG

AKTIENGESELLSCHAFT

Georg-von-Boeselager-Str. 25
D-5300 Bonn 1
Telefax: (228) 552-2122

Continued on next page

NYSE COMPOSITE PRICES

Continued from previous page

- S -

1992 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
21	17	S Anita Rt	1.72	9.9	19	34	17½	17⅜	17⅜	+⅛
18⅞	15¼	SCOR US Cp	0.28	1.6	10	5	17¼	17¼	17¼	
29½	24¾	SPS Techno	1.28	4.7	24	34	27⅛	27	27⅛	+⅛
13	12⅛	Sabine Rt x	1.41	10.8	8	24	u13	13	13	+⅛
11⅞	9	Safecard	0.15	1.5	9	79	9⅞	9⅝	9⅞	
18	11⅞	Safeg'd Sc			5	40	12⅛	12	12	
29⅞	22⅝	SafetyKln	0.34	1.2	31	670	28¾	28	28⅝	
20¼	14⅞	Safeway			31	492	15¼	15	15¼	+⅛
4⅝	3	SafewayW95				45	3⅛	3⅛	3⅛	
41⅞	29⅞	StJoePaper	0.20	0.6	41	27	38	37⅝	37⅝	-⅜
34¾	31⅛	StJosL&P	1.72	5.4	12	10	31⅝	31⅜	31⅝	
75¾	67	St Paul's	2.72	4.0	7	1802	67½	d66½	67⅛	+⅛
8⅛	2⅞	Salant Crp			1	75	7⅛	6⅞	6⅞	-½
75⅛	60½	Sallie Mae	1.00	1.6	16	3224	63¼	61¾	62¾	+⅛
32½	26¼	Salomonlnc	0.64	2.2	7	751	29⅝	28⅝	29¼	+½
45⅝	42⅛	SanDgo G&E	2.88	6.8	12	142	43⅛	43	43⅛	-⅛
36⅝	30¾	SantaFePac	2.80	8.2	10	59	34¼	33⅞	34¼	+½
14⅛	11	SantaFeSth				232492	12⅝	12⅛	12⅝	+⅛
57	48⅝	Sara Lee	1.00	1.9	17	1369	51½	51⅛	51⅛	
9½	1¼	Savin			0	161	2⅞	2⅝	2⅝	-⅛
44⅞	38⅝	Scana Corp	2.68	6.8	11	308	39½	39¼	39¼	-⅛
47⅞	40¼	Scecorp	2.72	6.5	12	887	41⅝	41⅝	41⅝	
64¾	52¾	Sch'berger	1.20	2.0	17	5576	60⅛	59¼	59¾	+⅛
37¼	26⅝	Schwab(C)	0.24	0.9	18	1512	28¼	27⅞	27¾	+⅛
9⅞	6¼	Schwitzer			39	102	9	9	9	-⅛
19¾	15¼	ScientAtln	0.10	1.0	165	90	16⅛	16⅞	16	-⅛
48	34½	ScottPaper	0.80	1.8	29	3005	45⅝	44⅞	45	-⅛
24	16	Sea Cont	0.70	4.2	6	46	16⅞	16⅝	16¾	-⅛
123½	109½	Seagram Co	2.00	1.7	15	178	118⅛	118½	118⅝	-⅛
19½	12⅛	SPX Corp	0.40	2.1	13	122	19	18⅝	18⅝	-⅛
56⅞	44⅞	Sealed Air			26	24	50⅝	50⅛	50⅛	-⅛
48	37	Sears Roeb	2.00	4.4	12	4248	45⅝	44⅞	45⅛	-⅛
12½	11⅞	Seligm Sel	0.84	6.8		69	12⅛	12	12⅛	+⅛
31¼	24¼	Sensormat	0.30	1.0	27	99	29¼	28¾	28¾	-⅛

AMEX COMPOSITE PRICES

3:00 pm prices April 22

NASDAQ NATIONAL MARKET

3:00 pm prices April 22

- W -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Wausau Pa	0.16	18	147	32¼	31¼	32	-¼
Warmtech		70	2944	2⅞	2⅞	2⅞	+⅛
WashMutSB	0.88	8	1162	22⅛	21⅝	21⅞	-⅛
WashEnergy	1.40	15	434	22	21¼	21¼	-⅛
WashFedS.L	1.20	10	945	25⅛	24½	24⅝	-⅛
WashingtnA	0.28	20	371	52	50	51¼	-⅛
Wausau PM	0.34	18	403	45¼	43½	45¼	+1⅞
WD-40	1.80	18	353	46¼	44	44⅞	-1⅛
Wolohan		4	47	4⅛	4⅛	4⅛	
West One	1.04	13	151	40¼	40	40¾	
WestnPubl		29	361	17⅞	17	17⅞	+⅛
Westmark		26	3461	51½	50	51⅝	+1⅛
WestnCoal	0.32	10	19	17¼	16½	16½	-⅛
Wst SealA		27	12	10	9½	9½	-⅛
Wetterau	0.68	10	439	22½	21½	22	+½
Wheat Bye		92	2260	4⅛	4⅝	4⅝	
Willamette	1.68	31	1678	79	77¼	78¼	+1
WesSonom		98	24	14⅛	d13½	13½	-⅛
Wiser Oil	0.40	50	128	14⅞	14⅝	14⅞	+½
Wolohan L	0.28	16	12	21⅞	21⅛	21⅞	+½
Wstv Expr		0	436	¼	⅛	¼	+⅛
WvExWtA			3	⅛	⅛	⅛	+⅛
Worthington	0.48	26	405	23⅞	22⅝	23⅝	
WP Group	1.11	1	331	2⅛	2⅛	2⅛	-⅛
Wyman-Gor	0.40	0	238	4⅛	4	4	-⅛

- X - Y - Z -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Xilinx		25	946	25½	24¼	24½	-1
Xoma Corp		7	6561	14	d12¾	13¾	
Yellow Fr	0.94	30	571	28⅞	28½	28¾	-⅛
York Rsch		42	1573	5⅛	4⅞	5⅛	+⅛
ZionsUtah	1.44	10	105	52½	50½	51¼	-⅛

DANISH SHIPPING AND SHIPBUILDING

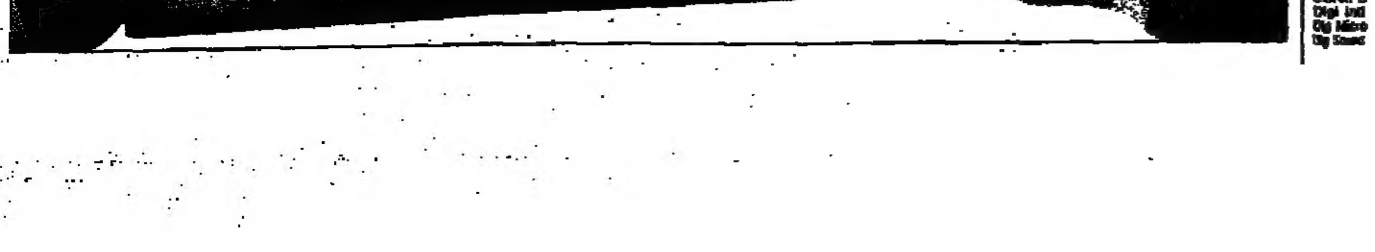
The FT proposes to publish this *survey on* May 5 1992.
Decision makers in over 160 countries worldwide and 54% of the Chief Executives in Europe's largest companies will see this survey. If you want to reach this important audience, please call
Erna Pio
(Copenhagen)
45 3313 4441
or Kirsty Saunders (London)
071 873 4823
Financial Times (Scandinavia)
Vimmelskaftet 42A, 5th Floor,
DK-1161
Copenhagen K.
Tel 33 13 44 41

Data source: Chief Executives in Europe 1990

FT SURVEYS

GET YOUR FT BY HAND DELIVERY IN STOCKHOLM.

If you work in the business centres of Malmö, Lund, Stockholm or Gothenburg we'll deliver your daily copy of the FT to your office at no extra cost. Call Bradley Johnson for details (018) 253726.



AMERICA

Dow little changed in two-way activity

Wall Street

US SHARE prices were little changed in strong two-way trading which suggested investors remained divided about the outlook for corporate earnings and stock market values, *writes Patrick Harverson in New York.*

By 1 pm the Dow Jones Industrial Average was down 1.35 at 3,341.90. The more broadly based Standard & Poor's 500 was slightly higher at midsession, up 0.19 at 410.45, while the Nasdaq composite of over-the-counter stocks edged 2.36 higher to 577.41. Turnover on the NYSE was a brisk 124m shares by 1 pm, and declines outpaced rises by 805 to 760.

For the second day, trading was hampered by uncertainty about the near-term direction of share prices. After last week's big gains, achieved in the wake of better-than-expected first quarter corporate results, some investors appeared concerned that the market might have over-reached itself, while others seemed confident that a further improvement in earnings over the next three quarters justified continued buying.

First quarter results flooded in, moving a variety of stocks. Transamerica jumped $2¾ to $46¼ after the insurance and financial services group reported a record first quarter operating income of $80.7m.

Another company reporting record first quarter profits was Anheuser Busch, the country's biggest brewer, which firmed $¼ to $53⅞ on news of an 11.5 per cent improvement in net income to $234m.

Other stocks higher on earnings news included Harley-Davidson, up $⅝ at $57⅞, the publishing group Times Mirror, $½ higher at $36½, and Caterpillar, which rose $1¼ to $56 after reporting a $132m loss, smaller than forecast.

Citicorp, which reported higher profits on Tuesday, climbed another $1⅛ to $19⅞ after PaineWebber, the broking house, upgraded its rating on the bank's stock from "unattractive" to "neutral".

AMR, parent of American Airlines, which recently led other domestic carriers with a dramatic overhaul of its fare structure, fell $2¾ to $65⅝ after British Aerospace said AMR would buy 15 of BAe's Jetstream planes.

Ralston Purina firmed $1⅛ to $49 after the company revealed it was spinning off its Continental Banking division. Dow Chemical was unchanged at $60¼ after reporting a 32 per cent decline in first quarter operating income to $531m, while Bristol-Myers Squibb fell $1⅛ to $73 after the company predicted 1992 full-year income would rise by 15-17 per cent.

On the Nasdaq market, Intel jumped $2 to $52¼ in turnover of 1.5m shares after announcing plans to slash prices on its "flash" microchips in what may herald a price-cutting war among makers of memory chips and disk drives.

Amgen fell $1⅝ to $55⅝ after reporting first quarter net income of 43 cents a share, up from 26 cents a year ago.

Canada

A SHARP downturn in the Canadian dollar and continuing uncertainty over Olympia & York kept Toronto stocks at the day's lows at midday. The TSE 300 composite index was down 18.5 to 3,362.2 in volume of 16m shares valued at C$169.1m. Only four of the TSE's 14 indices recorded any gains at midday. The gold, banks and real estate sectors suffered sharp losses.

Among most active stocks, Woodward's fell 10 cents to C$1.35 and Sherritt Gordon was steady at C$8½. PWA rose C$¼ to C$5½ while Placer Dome lost C$¼ to C$12.

SOUTH AFRICA

JOHANNESBURG closed a shade firmer but major institutional investors remained on the sidelines. The industrial index added 18 to 4,192 and the overall index rose 13 to 3,359. The gold index ended 4 higher at 1,023.

Present negatives and past positives equal uncertainty

Pakistani stocks are slipping, says Farhan Bokhari

Pakistani stocks have entered an uncertain period, after a spectacular rise of 160 per cent in dollar terms last year. A series of negative factors at home and political uncertainty in neighbouring Afghanistan have prompted a fall of just over 20 per cent on the Karachi Stock Exchange (KSE) so far this year.

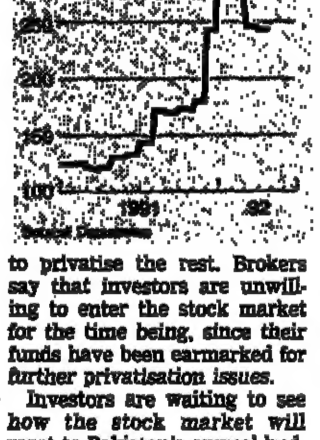
For some brokers, a technical correction in the market was necessary after its rise to what they saw as unrealistically high levels last December. "We consider this to be a temporary phase, not a crash at all, and we are looking for signs of recovery," says one leading broker in Karachi.

Earlier this year, the KSE was harmed by investigations by the Corporate Law Authority, the government's regulatory body, against at least 21 brokers for speculative buying. Since the investigations are continuing, other brokers have been deterred from the speculative activity which had fuelled the share price rises last year.

The KSE's rally in 1991 was also helped by the launching of Pakistani country funds by Citicorp and Crédit Lyonnais – these gave fresh international exposure to the market. However, there are few indications that any more foreign funds will be issued this year.

A worldwide decline in cotton prices has also weighed on the stock market, since textile shares account for approximately one third of the 542 companies listed on the KSE.

Pakistan's privatisation programme has fallen behind schedule and some investors are worried that plans for opening up the economy may not meet the government's targets. Compared with an initial goal of privatising 115 companies by the end of 1991, deals for roughly one third were finalised within that period, and the government is now trying



to privatise the rest. Brokers say that investors are unwilling to enter the stock market for the time being, since their funds have been earmarked for further privatisation issues.

Investors are waiting to see how the stock market will react to Pakistan's annual budget, which is due to be announced in the middle of May. Many businessmen expect the government to introduce new taxes in order to narrow its budget deficit.

Another factor keeping investors on the sidelines is the possibility that Pakistani banks and other financial institutions may have to stop interest-based activities from June 30, if a federal Islamic court's ruling comes into effect. The ruling, handed down last December, requires all banks to eliminate pre-determined interest or usury, known as "Riba", which is considered to be unlawful under Islamic codes.

Banks have appealed to Pakistan's supreme court, and the government's lawyers are examining the case to see if there are grounds for an appeal, which would give it more time to make the necessary changes.

On the political front, the KSE was unsettled by instability in Sindh province, of which Karachi is the capital. Reports that Mr Jam Sadiq Ali, the chief minister of Sindh, was suffering from a chronic illness and was not expected to live for long, discouraged some investors. Mr Ali subsequently died in March and a change of government in the province briefly re-established some confidence in the market.

But investors are now monitoring events in Afghanistan, as the future of that country will determine Pakistan's success in establishing a land route for the exchange of goods with the newly independent central Asian republics.

Mr Arif Habib, the president of the KSE, remains optimistic about the market. He says it should be buoyed by new listings since January worth Rs3.7bn (£85.7m). "New issues meant that money moved from the secondary to the primary market. Now it is gradually moving back to the second market again," he adds.

EUROPE

Car stocks feature in quiet trading

Car-related stocks featured in quiet continental trading, writes Our Markets Staff.

FRANKFURT saw some activity in Volkswagen but otherwise trading was dull as traders extended their Easter holidays. The DAX index gained 6.80 to 1,753.30 while the FAZ index, calculated at mid-session, rose 2.4 to 713.88. Turnover advanced to DM5.5bn after DM3.8bn.

Volkswagen rose DM8.10 to DM381.80 on strong US interest following a positive report by Morgan Stanley, which was published just before Easter. Other car stocks were mixed, with BMW gaining DM2 to DM586 while Porsche declined DM1 to DM548.

Banks remained firm. Deutsche Bank put on DM5.60 to DM722.90, while Commerzbank and Dresdner Bank both gained DM1 to DM267.80 and DM358 respectively. James Capel recommended switching out of Dresdner into the other two banks, because it did not expect Dresdner's earnings performance to be above-average this year.

FT-SE Eurotrack 100 - Apr 22

Hourly changes

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm	close
1173.10	1173.07	1172.43	1172.47	1172.07	1172.18	1171.03	1171.34

Day's High 1173.29 Day's Low 1170.84

Apr 21	Apr 16	Apr 15	Apr 14	Apr 13
1166.73	1169.83	1167.06	1157.52	1153.23

Base value 1000 (26/10/90).

PARIS was quietly firmer ahead of the close of the April trading account today. The CAC-40 index closed 3.32 higher at 1,983.68, down from the day's high of 1,993.77, in modest turnover of FFr2.4bn.

The auto sector was active, with Peugeot gaining FFr19 to FFr730 while Michelin rose FFr4.70 to FFr193.70 in heavy volume of 1.2m shares. Both issued 1991 results last week.

Pechiney CIPs jumped FFr11.90 or 3.3 per cent to FFr377.90 while Pechiney International rose FFr1.80 to FFr205.20 ahead of its 1991 results due this morning. The company is also expected to give details of its restructuring, whereby the aluminium and trade activities will be transfered to the parent.

MILAN got some support from Fiat and Pirelli but official trading was over by 12.30 pm due to a lack of interest. Dealers were depressed by the fall in daily volume on Tuesday to its lowest level since April 1985, which they blamed on the delay in forming a new government. The Comit index added 0.81 to 507.14 in turnover estimated at L40bn after Tuesday's L36.7bn.

Fiat eased L16 to L4,800 at the official fixing but rose to L4,875 after Fiat Auto's managing director, Mr Paolo Cantarella, said the subsidiary would make a profit this year and that the model range would be completely renewed by 1996.

Pirelli attracted interest from London, rising L21 to L1,296 at the fixing and reaching L1,318 after hours.

STOCKHOLM closed broadly lower in heavy trade. The Affärsvärlden general index fell 2.6 to 980.0 as turnover rose to SKr491m from SKr289m.

The decline was led by Astra, whose B free share tumbled SKr13 or 2.4 per cent to SKr527. Some analysts attributed the fall to a general switching out of pharmaceutical into cyclical stocks, as well as the company's recent decision not to open up more of Astra's share capital to foreigners.

BRUSSELS rose on the last day of the forward market account. The Bel-20 index advanced 3.76 to 1,199.19 in high turnover of BFr1.10bn.

Petrofina and Electrabel were the most heavily traded stocks, with the former rising BFr50 to BFr10,700 and the latter easing BFr10 to BFr4,905.

ZURICH was firmer and the SMI index gained 14.2 to 1,874.7.

The chemical sector improved after Ciba-Geigy forecast strong growth in 1992. Its registered shares put on SFr30 to SFr3,520 and its bearers were SFr20 stronger at SFr3,480. Roche certificates were up SFr20 at SFr3,170.

AMSTERDAM rose in moderate volume. The CBS Tendency index closed up 0.7 at 126.8 in turnover of Fl 572.4m.

Nedlloyd was the main feature after reporting a return to profit in 1991, though some analysts noted that the results were boosted by sales of non-core divisions. The stock closed down 60 cents at Fl 54.60. Pakhoed and Daf both rose Fl 1 to Fl 42.90 and Fl 24.70 respectively.

MADRID's general index fell 1.43 to 251.41. Telefónica lost Pta35 to Pta1,090 after delaying a planned increase in domestic tariffs.

OSLO slipped although the shipping index remained firm. The all-share index fell 2.49 to 421.03 in turnover of NKr273.59m.

ASIA PACIFIC

Nikkei stays below 17,000 for second day

Tokyo

THE Nikkei average remained below 17,000 for the second consecutive day but was lifted from the day's low by bargain hunting, *writes Neil Weinberg in Tokyo.*

The 225-issue average was finally a modest 51.79 up at 16,839.12 after a day's high of 16,930.75 and low of 16,572.46, its worst level since 1986. Volume was again light, totalling 230m shares. The Topix index of all first section shares ended 2.83 better at 1,283.03, but declines still led gains at the close by 556 to 380, with 174 issues unchanged. In London the ISE/Nikkei 50 index firmed 0.75 to 1,044.54.

Index-linked activity continued to dominate trading, with some bargain hunting and buying interest in electricals and other issues which stand to benefit from an economic recovery in the US. Sony climbed Y80 to Y4,290 and Pioneer Electronic Y30 to Y3,760.

Banks also fared well, with Industrial Bank of Japan rallying Y80 to Y1,750.

However, overall buying interest remained light, with investors remaining cautious after the Ministry of Finance said it was delaying its May bond auction, which had been scheduled for yesterday. Some analysts said there is concern that the ministry will proceed with the issue when the stock market improves, which could depress share prices further.

Investors are also reluctant to carry open positions overnight with New York poised for a correction and volume in Tokyo likely to remain thin before next week's Golden Week holidays, said Mr Daniel Kerrigan of County NatWest Securities.

Drug makers and securities firms lost ground, with Yamanouchi Pharmaceutical finishing Y60 cheaper at Y2,490 and Yamaichi slipping Y10 to Y530.

Department stores declined on slack sales and earnings. Takashimaya retreated Y30 to Y1,120 after announcing a 35 per cent drop in pre-tax profits.

In Osaka, the OSE average ended 78.50 lower at 19,135.03 in volume of 9.6m shares.

Roundup

AN all-time high established by the Hong Kong market featured an overall mixed performance by the Pacific Rim region yesterday.

HONG KONG rose on strong overseas demand for blue chips. The Hang Seng index gained 95.94 or 1.9 per cent to 5,189.03. Turnover was HK$2.85bn, up from HK$2.45bn.

HSBC Holdings was the most active stock, rising 25 cents to HK$40.50, while Cheung Kong gained 70 cents to HK$21.50 and Pacific Concord advanced 25 cents to HK$3.02. Jardine Matheson climbed HK$1.75 to HK$49.50 and Swire Pacific added 40 cents at HK$31.

AUSTRALIA rose in anticipation of some positive economic forecasts. The All Ordinaries index gained 11.6 to 1,599.0 in turnover of A$165.4m. Analysts expect next week's release of the first-quarter CPI to show a smaller than expected increase.

BHP put on 20 cents to A$13.72 after announcing a rise in domestic and export steel shipments for last month. Coles Myer rose 32 cents to A$11.60 and Brambles 22 cents to A$16.04.

NEW ZEALAND closed at its highest since March 24. The NZSE-40 index gained 16.77 to 1,428.31 in NZ$20.97m turnover.

TAIWAN weakened in nervous trading as opposition parties continued their demonstration to demand direct presidential elections. The weighted index relinquished 51.02 to 4,505.07 in turnover of T$14.3bn, against T$18.1bn.

KUALA LUMPUR improved on bargain hunting. The composite index gained 1.38 to 573.97 in turnover of M$69.2m, after M$57.2m. Pilecon firmed 4 cents to M$2.63 after Magnum Corp and Dunlop Estates said they had acquired a joint 23 per cent stake in the construction group.

SINGAPORE was little changed. The Straits Times Industrial index edged up 0.45 to 1,403.10 in volume of 25.1m shares, after 24.8m.

MANILA eased on profit-taking. The composite index shed 7.15 to 1,164.39 in combined turnover of 218.2m pesos, compared with 191.9m pesos.

SEOUL was weaker as manufacturing issues declined. The composite index dipped 4.29 to 584.22 in turnover of Won386.23bn. Hyundai Construction and Engineering fell Won600 to Won17,000.

BANGKOK's SET index rose a modest 1.84 to 786.93 in turnover of Bt4.1bn.

Brokers call off boycott

By R.C. Murthy in Bombay

SHARE prices jumped in Bombay yesterday as trading resumed after a three-day boycott by brokers to protest against the Securities and Exchange Board of India's (SEBI) registration fees. The BSE index climbed 304.30 to 4,467.32.

Last weekend, the SEBI, the new market watchdog, was forced to halve the fees, originally set at Rs500,000 for leading exchanges and Rs100,000 for small exchanges.

Some observers said the strike illustrated the stockbroking community's resistance to the government's capital market reforms.

The SEBI has the difficult task of purging vested interests, which include six-week settlement periods, a lack of regulation of intermediaries, unbridled speculation and insider trading.

The World's Finest Apples

The Washington Apple Commission
2900 Euclid Avenue, Wenatchee
Washington 98801, U.S.A.

© 1992 WAC

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	TUESDAY APRIL 21 1992								MONDAY APRIL 20 1992					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1992 High	1992 Low	Year ago (approx)
Australia (69)	145.44	−0.2	123.35	123.37	126.20	126.38	+0.1	4.36	145.78	124.11	123.88	126.88	126.28	153.68	140.94	141.22
Austria (19)	166.66	−0.1	141.35	141.38	144.61	144.17	−0.3	2.01	166.80	142.00	141.72	145.17	144.60	186.70	162.62	198.97
Belgium (46)	136.49	−0.2	115.77	115.78	118.43	115.62	−0.2	5.25	136.77	116.44	116.19	119.03	115.81	145.19	135.87	138.22
Canada (115)	129.42	−0.4	109.77	109.78	112.29	110.58	−0.3	3.32	129.88	110.57	110.34	113.03	110.95	142.12	125.75	138.31
Denmark (35)	231.24	+0.0	196.13	196.16	200.65	202.78	−0.4	1.82	231.14	196.78	196.39	201.17	203.56	273.94	226.81	234.68
Finland (15)	75.38	+1.1	63.93	63.94	65.41	71.68	+0.5	2.04	74.56	63.48	63.35	64.89	71.32	89.80	73.64	112.73
France (106)	155.10	+0.3	131.55	131.57	134.57	137.22	+0.0	3.36	154.58	131.60	131.33	134.52	137.16	159.16	148.06	133.38
Germany (65)	118.28	+0.3	100.31	100.33	102.61	102.61	+0.0	2.25	117.90	100.37	100.18	102.61	102.61	122.84	114.67	108.12
Hong Kong (55)	212.46	+0.5	180.20	180.22	184.36	211.16	+0.5	3.83	211.46	180.02	179.66	184.04	210.11	212.46	176.36	146.21
Ireland (16)	158.11	−0.4	134.10	134.12	137.19	139.33	−0.5	3.69	158.70	135.10	134.83	138.11	140.02	173.71	151.78	158.09
Italy (78)	70.52	+0.0	59.81	59.82	61.19	66.00	−0.4	3.49	70.54	60.05	59.93	61.39	66.26	80.86	68.92	79.18
Japan (473)	93.92	−0.8	79.66	79.67	81.51	79.67	−0.9	1.07	94.66	80.59	80.43	82.40	80.43	140.95	88.70	139.61
Malaysia (68)	231.56	+0.1	196.42	196.44	200.94	227.08	−0.1	2.84	231.36	196.96	196.56	201.35	227.39	250.18	212.49	233.84
Mexico (18)	1703.83	−1.6	1445.12	1445.36	1478.43	5706.92	−1.6	1.05	1730.95	1473.61	1470.68	1506.46	5796.82	1789.77	1376.91	860.43
Netherland (25)	152.40	+0.1	129.26	129.28	132.24	130.69	−0.2	4.26	152.23	129.60	129.34	132.49	130.93	156.48	147.88	138.55
New Zealand (14)	43.28	+0.1	36.70	36.71	37.55	42.40	+0.3	6.50	43.25	36.82	36.74	37.64	42.29	48.52	42.01	48.65
Norway (23)	169.94	+1.4	144.14	144.16	147.46	150.51	+1.0	1.70	167.65	142.72	142.44	145.91	148.99	192.95	161.26	187.41
Singapore (38)	202.25	−0.1	171.54	171.57	175.49	154.82	−0.3	2.11	202.44	172.34	172.00	176.18	155.08	228.43	192.76	201.25
South Africa (61)	227.83	−0.2	193.24	193.26	197.68	167.40	−0.2	3.03	228.23	194.30	193.91	198.63	167.70	263.60	203.16	203.89
Spain (50)	149.62	+0.2	126.90	126.93	129.83	118.39	−0.2	5.11	149.28	127.08	126.83	129.92	118.69	160.47	146.86	156.44
Sweden (25)	183.12	+0.0	155.32	155.34	158.90	163.47	−0.4	2.77	183.08	155.86	155.55	159.34	164.08	190.37	173.09	178.01
Switzerland (60)	97.43	−0.3	82.63	82.65	84.55	93.47	−0.4	2.29	97.76	83.22	83.06	85.09	93.82	104.22	95.99	93.32
United Kingdom (228)	184.03	+0.0	156.09	156.10	159.67	156.09	−0.4	4.75	184.02	156.66	156.33	160.14	156.66	186.29	165.85	172.40
USA (523)	167.00	+0.0	141.65	141.68	144.92	167.00	+0.0	2.95	166.93	142.12	141.84	145.29	166.93	171.66	160.92	154.71
Europe (791)	146.28	+0.1	124.07	124.09	126.94	126.42	−0.2	3.87	146.16	124.43	124.18	127.21	126.71	150.58	139.31	138.06
Nordic (98)	171.70	+0.2	145.63	145.65	148.98	146.62	−0.2	2.21	171.34	145.87	145.58	149.12	146.91	188.52	169.66	174.78
Pacific Basin (717)	99.83	−0.7	84.67	84.68	86.62	85.06	−0.8	1.46	100.46	85.55	85.38	87.45	85.72	141.97	94.40	139.60
Euro−Pacific (1508)	118.60	−0.3	100.59	100.60	102.90	102.08	−0.5	2.66	118.94	101.26	101.05	103.51	102.60	145.21	113.80	139.31
North America (638)	164.63	+0.0	139.64	139.68	142.88	163.17	+0.0	2.97	164.60	140.13	139.86	143.27	163.12	169.89	158.70	153.61
Europe Ex. UK (563)	123.69	+0.1	104.91	104.95	107.35	109.24	−0.1	3.21	123.51	105.15	104.96	107.52	109.38	129.79	121.81	117.29
Pacific Ex. Japan (244)	157.97	+0.1	133.98	134.02	137.08	140.27	+0.2	3.88	157.81	134.35	134.10	137.36	139.99	158.33	149.00	138.55
World Ex. US (1702)	121.22	−0.3	102.81	102.84	105.19	104.38	−0.6	2.67	121.59	103.52	103.32	105.83	104.91	146.91	116.45	140.34
World Ex. UK (1997)	131.19	−0.2	111.27	111.30	113.85	120.41	−0.3	2.53	131.43	111.89	111.68	114.40	120.73	150.58	127.21	141.39
World Ex. So. Af. (2164)	135.15	−0.2	114.63	114.66	117.28	123.34	−0.3	2.79	135.37	115.24	115.02	117.82	123.69	153.05	130.04	143.77
World Ex. Japan (1752)	159.04	+0.0	134.89	134.93	138.02	149.06	−0.1	3.32	158.99	135.35	135.10	138.39	149.17	161.90	153.20	147.91
The World Index (2225)	135.75	−0.2	115.14	115.16	117.80	123.73	−0.3	2.79	135.97	115.75	115.53	118.34	124.08	153.70	130.66	144.13

Copyright, The Financial Times Limited, Goldman, Sachs & Co. and County NatWest Securities Limited. 1987
Latest prices were unavailable for this edition.